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In The
Supreme Court of the United States
October Term, 1994

UNIVERSAL MONEY CENTERS, INC.,
Petitioner,

v.

AMERICAN TELEPHONE & TELEGRAPH CO.
and UNIVERSAL BANK,
Respondents.

**Petition For A Writ Of Certiorari To The
United States Court of Appeals
For The Tenth Circuit**

PETITION FOR A WRIT OF CERTIORARI

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EDITOR'S NOTE

THE FOLLOWING PAGES WERE POOR HARD COPY AT THE TIME OF FILMING. IF AND WHEN A BETTER COPY CAN BE OBTAINED, A NEW FICHE WILL BE ISSUED.

QUESTIONS PRESENTED

A. Does the Tenth Circuit's decision conflict with Rule 56, Fed. R. Civ. P., Supreme Court mandate, the law of other Circuits, the Seventh Amendment to our Constitution, and the established and usual course of judicial proceedings by granting a motion for summary judgment where the Court made findings of fact and then weighed its own factual conclusions against each other in determining an ultimate fact issue, such as likelihood of confusion in this trademark case?

B. Is it contrary to established principles of trademark law, including Supreme Court mandate, Federal statutory trademark law and the law of other Circuits, for the Tenth Circuit to limit a plaintiff, in a trademark infringement action, to proving likelihood of confusion by showing either that the public would likely believe that plaintiff's services come from the defendant (direct confusion) or that defendant's services come from plaintiff (reverse confusion), and not considering substantial evidence of record that establishes that, because of the use of similar trademarks by both parties, the public could conclude that the services of plaintiff and defendant are affiliated or commonly sponsored?

C. Does the Tenth's Circuit's decision conflict with Rule 56, Fed. R. Civ. P., Supreme Court mandate, the law of other Circuits, the Seventh Amendment to our Constitution, and the established and usual course of judicial proceedings in affirming a summary judgment grant, thereby holding plaintiff's motion to compel discovery moot because summary judgment had been entered, and justifying the summary judgment because the non-moving party did not advise the court of the need for more discovery, where the discovery issue became moot only because the court never enforced its own earlier order in which it ruled that the information sought was "relevant"?

PARTIES TO THE PROCEEDING

Universal Money Centers, Inc., petitioner here and plaintiff-appellant below is a Missouri corporation with its principal office in the Kansas City area. Respondents American Telephone & Telegraph Company ("AT&T") and Universal Bank were the defendants in the District Court and appellees in the Court of Appeals. The Respondents are related in that AT&T formed Universal Bank in connection with its offering of its Universal card, which is the subject of this dispute.

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UNIVERSAL MONEY CENTERS, INC.,
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Petition For A Writ Of Certiorari To The
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For The Tenth Circuit

PETITION FOR A WRIT OF CERTIORARI

Petitioner, Universal Money Centers, Inc. respectfully prays that a Writ of Certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Tenth Circuit entered in this proceeding on April 29, 1994.

OPINIONS BELOW

The opinion of the Court of Appeals for the Tenth Circuit is reported at 22 F.3d 1527 (1994) and is reprinted in Appendix B. The order of

the Court of Appeals for the Tenth Circuit denying rehearing with suggestions for rehearing *en banc* is reprinted in Appendix A. The Memorandum and Order in which the District Court of Kansas granted summary judgment is reported at 797 F. Supp. 891 (1992) and is reprinted at Appendix C. A Memorandum and Order in which the District Court of Kansas deemed information requested by Petitioner "relevant", but required rewording of interrogatories, is reprinted at Appendix F. Petitioner's reworded interrogatories are reprinted at Appendix E. Petitioner's motion to compel answers to the reworded interrogatories and for application of sanctions against Respondent for failure to comply with court order (the motion pending when summary judgment was granted) is reprinted at Appendix D. The Memorandum and Order in which the District Court denied Petitioner's motion for a preliminary injunction is reprinted at Appendix G.

JURISDICTION

The judgment of the Court of Appeals for the Tenth Circuit was entered on April 29, 1994. The subsequent order of the Court of Appeals for the Tenth Circuit denying rehearing and rehearing *en banc* was entered on June 10, 1994. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

SEVENTH AMENDMENT, U.S. CONSTITUTION

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

RULE 56(c),(f) FEDERAL RULES OF CIVIL PROCEDURE, SUMMARY JUDGMENT

(c) Motion and Proceedings Thereon. The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any,

show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages.

(f) **When Affidavits are Unavailable.** Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

15 U.S.C. § 1125. False designations of origin and false descriptions forbidden.

(a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which —

(A) is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

. . . . [subsection (B) omitted herein]

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act. (emphasis added).

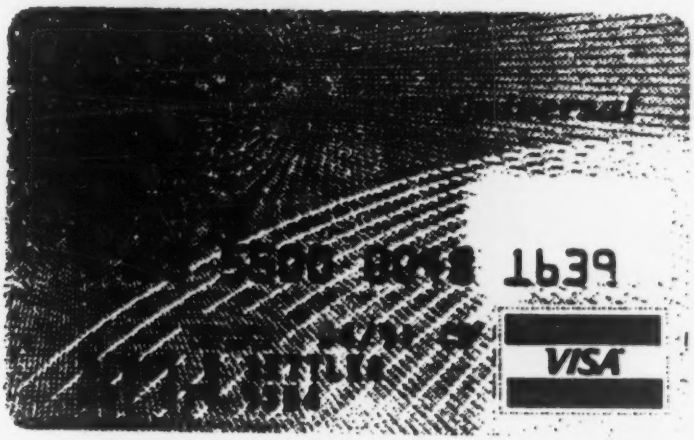
STATEMENT OF THE CASE

A. Marketplace Facts.

Petitioner Universal Money Centers, Inc. (sometimes referred to herein as UMC) filed suit against Respondents AT&T and Universal Bank alleging trademark infringement, including false designation of origin, and unfair competition because of Respondent's use of the trademark "UNIVERSAL" to identify its combination telephone and retail credit card, which also permits access of money from automatic teller machines (ATMs).

Petitioner is a Missouri corporation which owns four registered trademarks incorporating, as the dominant term, "UNIVERSAL". Since 1981, Petitioner has provided electronic banking services and has contracted with numerous financial institutions to provide its customers plastic electronic banking cards bearing one of Petitioner's trademarks. Petitioner has affiliated itself with organizations such as American Express, Discover, Sears, and Bank Mate so that its cardholders can obtain cash from ATMs owned or operated by these organizations, in addition to those machines owned and operated by Petitioner itself. Petitioner's trademarks appear on its cards, printed material accompanying the cards when mailed to customers, on ATM receipts, on signs displayed at banks and businesses, and on signage at ATMs.

On March 26, 1990, Respondents introduced a new plastic card which permits a combination of services, such as long-distance telephone services and retail credit card services. Like Petitioner's UNIVERSAL MONEY card, Respondent's UNIVERSAL card can be used to access cash from ATMs, make retail purchases, and to buy selected insurance products. Respondent's UNIVERSAL card appears as follows:



Although Respondent's UNIVERSAL card is affiliated with VISA (or MasterCard) and it may be used to access money from ATMs, Respondent's UNIVERSAL card cannot be used to obtain money from a UNIVERSAL MONEY automatic teller machine because the Petitioner and

Respondent are not affiliated.

The record in this case, in addition to including evidence regarding the similarity of the marks and the competitive services, includes evidence that consumers and others are actually confused. For instance, evidence of record includes the testimony of a confused UNIVERSAL cardholder, an affidavit of one of Petitioner's employees evidencing 22 percent actual confusion, evidence that approximately 400 UNIVERSAL cardholders attempted to improperly use their cards in one of Petitioner's UNIVERSAL MONEY machines during a nine-month time frame, and an affidavit that Respondent's UNIVERSAL cards are 4.5 times more likely to be improperly used in a UNIVERSAL MONEY machine than were other third-party cards. Respondents own survey resulted in a finding of 2.2 percent actual confusion.

B. Discovery Dispute.

A discovery dispute, which is relevant to this petition, involved interrogatories sent by Petitioner to Respondent requesting the number of open and active "Universal" accounts of Respondent and the names and addresses for the accounts within the Kansas City, Kansas and St. Louis, Missouri metropolitan areas. Respondent refused to provide the information, and Petitioner filed a motion to compel the discovery. The District Court found that Petitioner's "geographical designations [were] vague and ambiguous. However, because the requested information is relevant, the Court will allow Plaintiff to reword these interrogatories and provide the Defendants with more specific guidelines."

Petitioner reworded the interrogatories and requested the same information within a specified thirty-mile radius in Kansas City, Kansas and St. Louis, Missouri. In response, Respondent provided raw numbers of its accounts in the two cities. Petitioner filed another Motion to Compel and to impose sanctions on January 13, 1992. Thereafter, Respondent provided additional numbers for open accounts on cards issued in each city for each month, but did not provide the requested identities of its UNIVERSAL cardholders. It was Petitioner's latest Motion to Compel that was pending when, on June 16, 1992, the District Court entered summary judgment.

C. The Decision of the Court of Appeals, Sanctioning the District Court's Decision.

The Tenth Circuit affirmed that this case, as a matter of law, does not present facts from which a jury could find trademark infringement.

Dissenting Judge Ebel disagreed and maintained that a reasonable jury could find in Petitioner's favor. Additionally, Judge Ebel asserts and dissents that the District Court erred in granting summary judgment because Petitioner's motion to compel discovery, regarding information previously ruled relevant by the Court, was pending. Dissenting Judge Ebel also stated that Petitioner's case should not be foreclosed merely because Petitioner did not file a Rule 56(f) affidavit in opposing Summary Judgment.

REASONS FOR GRANTING THE WRIT

A. The Tenth Circuit's Improper Burden of Proof Requirement

One primary reason that a Writ of Certiorari should issue is that the decision of the Tenth Circuit Court of Appeals conflicts with an established, fundamental principle of trademark law -- that which petitioner must show to prevail on its underlying claim. Particularly, the standard articulated by the Tenth Circuit, and used to dispose of this case on summary judgment, does not permit a plaintiff to show that a likelihood that a party using the same or similar trademark on the same goods or services (as here) is or will be viewed by consumers as affiliated or that the goods or services are commonly sponsored.

Petitioner's complaint alleges trademark infringement under the Lanham Act, 15 U.S.C. § 1051 *et seq.* (as amended in 1989), including false designation of origin under 15 U.S.C. § 1125(a). That section states in pertinent part:

(a)(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which —

(A) is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person,

. . . .

shall be liable in a civil action by any person who believes that he or she is

or is likely to be damaged by such act. (emphasis added).

This foregoing statutory law is hornbook law. *See, e.g.*, J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* Ch. 27 (3d ed. 1994).

In the case at hand, however, the Tenth Circuit completely altered the usual and ordinary course of judicial proceedings in holding Petitioner to a burden which conflicts with the hornbook law just articulated. The Tenth Circuit said:

Notwithstanding the fact that UMC's registered trademarks have become incontestable under 15 U.S.C. § 1065, '[t]he party alleging infringement has the burden of proving likelihood of confusion.' (citation omitted). Thus, to prevail on its claims, UMC must demonstrate that AT&T's use of the term 'Universal' is likely to cause consumers to believe either that UMC is the source of the AT&T Universal Card (direct confusion), or alternatively, that AT&T is the source of UMC's products and services (reverse confusion). (B-4,5) (citations omitted).

The Tenth Circuit clearly failed to consider whether a jury could find that the owners of the AT&T, VISA, and UNIVERSAL marks, which marks appear individually on separate corners of Respondent's card, are somehow affiliated or commonly sponsor the services available with Respondent's card. As Judge Ebel succinctly states in dissent:

The AT&T card displays the word 'UNIVERSAL' in the upper right-hand corner of the card, the AT&T logo in the upper left-hand corner, and the VISA logo in the lower right-hand corner. Thus, a cardholder might think that the AT&T card is sponsored by both VISA and by UNIVERSAL. (B-21)[1]

The importance of this matter is exacerbated at this summary judgment stage where the Tenth Circuit's gross contradiction of established law has kept Petitioner from its constitutionally guaranteed right to a jury trial. Moreover, the Tenth Circuit's precedent goes to the heart of every trademark infringement action -- that which the plaintiff must prove. The Tenth Circuit's overwhelming departure from established law is sure to affect every future civil trademark litigant in the Tenth Circuit and warrants supervisory review by this Court.

B. Summary Judgment Law

1. The Tenth Circuit Found Facts in Granting Summary Judgment.

The third reason for granting a Writ is that the Tenth Circuit ignored established summary judgment principles that "at the summary judgment stage the Judge's function is not . . . to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986) (emphasis added). The following is not intended as an argument of the merits of Petitioner's case, but rather concisely shows that the Tenth Circuit repeatedly and improperly made factual findings, weighed evidence contrary to its duty, and routinely viewed the evidence in the light least favorable to Petitioner while reserving the most favorable light for Respondents.

The Tenth Circuit first found that AT&T's mark is "AT&T Universal Card" because of the "distinctive AT&T housemark prominently displayed on AT&T's cards. (B-7) The Tenth Circuit then relied heavily on this erroneous and improper fact-finding in concluding that the marks are "strikingly dissimilar". In fact, the Tenth Circuit dismissed significant evidence of actual confusion and its own finding that the services at issue are very similar because of its finding that the marks are "strikingly dissimilar." (B-9,16).

The commercial impact of the manner in which AT&T uses the UNIVERSAL mark is a question for the jury. There is also absolutely no basis for a finding at this stage of the proceedings that AT&T's mark is anything but UNIVERSAL standing alone. The Tenth Circuit clearly performed a jury function and even disregarded the plain fact that the marks AT&T, VISA, and UNIVERSAL stand alone on the UNIVERSAL card.[2] Moreover, at this summary judgment stage, when all evidence is viewed in a light most favorable to UMC, the Court must find that the mark "UNIVERSAL" stands alone. Accordingly, the only comparison in determining the similarity of marks at this stage is, for instance, UNIVERSAL (the mark on AT&T's card) vs. UNIVERSAL MONEY (the mark on Petitioner's ATMs). When analyzed in this manner, the marks are "strikingly similar" and the primary (improper) basis for the Tenth Circuit's summary judgment grant has disappeared.

The existence of the AT&T and VISA marks on Respondent's cards

should not be considered in comparing marks, although the Tenth Circuit did so. The existence of AT&T and VISA on the cards should be considered as facts evidencing common sponsorship or affiliation, although the Tenth Circuit did NOT do so.

2. The Tenth Circuit Weighed Evidence in Granting Summary Judgment.

After analyzing the services involved in this case, the Court stated that, "though this factor weighs in UMC's favor, it carries little weight in light of the fact that the marks themselves are strikingly dissimilar".[3] (B-9). After weighing the similarity in the manner of marketing the services, the Court stated that "though both cards are issued by a sponsoring bank, the distribution process cannot be said to create confusion in this case". (B-20).

The Tenth Circuit improperly weighed evidence relating to AT&T's intent or disregard of UMC's rights and stated that UMC's evidence "is simply not enough", despite AT&T's awareness of UMC's marks and AT&T's own statements that they would adopt a descriptiveness strategy to reduce risks. UMC's App. at 163.[4] In finding in that relevant consumers exercise a low degree of care when using ATMs (which favors UMC), the Tenth Circuit said: "UMC's argument proves too much . . . any ATM card can be confused with any other ATM card or machine, notwithstanding any similarities between the marks on the cards or machines." Petitioner asks, "then why have a trademark at all?" The Tenth Circuit has, by its absurd statement, done away with the purpose of a trademark.

Significant evidence regarding actual confusion is present in this case. The Tenth Circuit improperly viewed AT&T's own evidence showing actual confusion in a light most favorable to AT&T and dismissed it as *de minimus*. By contrast, the Tenth Circuit improperly dismissed UMC's evidence of actual confusion -- including the deposition of a confused AT&T cardholder, an affidavit evidencing 22% actual confusion, and an affidavit evidencing that attempted uses of UNIVERSAL cards in UNIVERSAL MONEY ATMs are 4.5 times greater than would be expected based upon the number of UNIVERSAL and third party cards outstanding -- by assuming that it, while evidencing some actual confusion, "is a generous interpretation of the record." (B-15,16).

Here, the Tenth Circuit again dismissed Petitioner's causes by stating that the "de minimus evidence of actual confusion in this case is

especially undermined by the sheer lack of similarity between the marks." Again, the prejudice to Petitioner as a result of the Court's improper fact-finding further undermines its finding regarding actual confusion.

As Judge Ebel stated in dissent:

The majority dismisses UMC's evidence of actual confusion as de minimus, and instead places much weight on [AT&T's] survey, which itself found some actual confusion. The majority, and AT&T, however, fail to explain [the contrast in the parties' evidence of actual confusion]. Moreover, no explanation is provided that would explain, as anything but confusion, the evidence that AT&T cardholders are 4.5 times more likely to attempt to use their card in UMC's ATMs than other ATM users who did not use a UMC card. At a minimum [UMC's] affidavits call into question [AT&T's] results and clearly raise a material issue of fact that should have been resolved by the jury. (B-21,22) (emphasis added).

C. The Tenth Circuit Adheres to Form Over Substance

Another primary reason a Writ of Certiorari should be granted is that Tenth Circuit law conflicts with the law of the Supreme Court and other Circuits in a very important area -- the granting of summary judgments where the non-moving party has not had an opportunity to discover information essential to its opposition. As set forth below, Tenth Circuit law produces results wholly contrary to the results of other Circuits on similar facts.

Just as importantly, Tenth Circuit law exalts form over Constitutional and Supreme Court mandate and fair procedures, in that it requires a Rule 56(f) affidavit to be filed, even where all purposes of Rule 56(f) have otherwise been met. It is very clear from the following that had this case been appealed in another Circuit, Respondent's summary judgment motion would have been denied.

This Court has said that, under Rule 56(f), Fed. R. Civ. P., summary judgment should not be entered where the party opposing summary judgment has not had an opportunity to discovery information essential to its opposition. This principle is foundational to a party's right in the United States to avail itself of the judicial system and be afforded a fair opportunity to present its case.

The Tenth Circuit, by its decision, places form over fairness in stating that the "protection [under Rule 56(f)] arises only if the non-moving party files an affidavit explaining why he or she cannot present facts to oppose the motion." *see also Dreiling v. Peugeot Motors of Am., Inc.*, 850 F.2d 1373, 1376 (10th Cir. 1988); *Pasternak v. Lear Petroleum Exploration, Inc.*, 790 F.2d 828, 832-33 (10th Cir. 1986). The Tenth Circuit adhered to its procedural requirement even here, where the District Court was fully aware of the need for additional discovery and had previously compelled Respondent to produce the "relevant" discovery, once Petitioner reworded its interrogatories. The Petitioner reworded its interrogatories as directed by the Court, but was forced to file yet another motion to compel (its second on this matter). That motion was pending when the District Court granted summary judgment.

Form should not be exalted over fair procedures and most (if not all) Circuits, but the Tenth Circuit, consistently state that Rule 56(f) is not to be precisely measured so as to absolutely require the filing of a proper Rule 56(f) affidavit to avoid summary judgment. Rather, other Circuits consistently state that compliance with Rule 56(f) is satisfied if the court is aware of the need for additional discovery, regardless if a Rule 56(f) affidavit is filed.

For instance, the Federal Circuit in *Opryland USA v. Great American Music Show, Inc.*, vacated and remanded a decision of the Trademark Trial and Appeal Board (regarding likelihood of confusion in a trademark cancellation action) because the "Board erred in denying Opryland the right, in accordance with Rule 56(f), to obtain evidence on the material facts of public perception and actual confusion", even though an affidavit filed by Opryland did not strictly comply with Federal Rules. 970 F.2d 847, 853 (Fed. Cir. 1992). The Court further stated that "the public perception of the relation between [the marks at issue in the case] is not peripheral to the issue, but at its core." *Id. at 852* (citation omitted). *Opryland* illustrates that, had Petitioner been in the Federal Circuit, this case would have been decided differently.

The D.C. Circuit, in *Martin, Jr. v. D.C. Metropolitan Police Department*, in an opinion by then Circuit Judge Ruth Bader Ginsburg, said that summary judgment was inappropriate until the non-moving party has been given an opportunity to complete discovery. 812 F.2d 1425 (D.C. Cir. 1987). A Rule 56(f) affidavit had not been filed by the non-moving party.

The Third Circuit, in *Sames v. Gable*, vacated and remanded a decision of the district court to grant summary judgment where the plaintiff's interrogatories remained unanswered by defendants. "Indeed, the Court had denied defendant's motion to limit the scope of those very discovery requests barely more than two weeks prior to the entry of judgment." 732 F.2d 49 (1984), *cert. denied,* 464 U.S. 894 (1984). *Id.* at 52. Moreover, although a Rule 56(f) affidavit had not been filed, the "plaintiffs had alerted the court in their opposing memorandum that discovery was still underway." *Id.* In the case at hand, the Petitioner has done far more than alert the court in a memorandum that discovery was still underway.

The Fifth Circuit, in *Wichita Falls Office Associates v. Banc One Corporation*, stated that "although it is preferred that non-movants present an affidavit to support a continuance of discovery, there is no stringent procedure that will bar litigants access to further discovery." 978 F.2d 915, 919 (5th Cir. 1992), *cert. denied,* ___ U.S. ___, 113 S. Ct. 2340 (1993). In *Wichita Falls*, the Fifth Circuit reversed and remanded a decision of the district court where summary judgment was granted before a party had been given the opportunity to obtain essential discovery, although a Rule 56(f) affidavit had not been filed.

The Eighth Circuit, in *Costello, Porter, Hill, Heisterkamp & Bushnell v. Providers Fidelity Life Insurance Company*, held that summary judgment was prematurely entered where a Rule 56(f) affidavit, although lacking in form and conclusory in nature, provided notification to the court and the parties. 958 F.2d 836 (8th Cir. 1992). In that case, the trial court found that the proposed discovery went to plaintiff's possible counterclaim and was not directed at the plaintiff's complaint. However, the court stated that "[s]uch a literal interpretation [of Rule 56(f)] places form over substance." *Id.* at 837-38.

The Ninth Circuit, in *VISA International Service Association v. Bankcard Holders of America*, overturned the District Court's grant of summary judgment against VISA where VISA had been denied access to Bankcard's mailing lists and customer responses. 784 F.2d 1472 (9th Cir. 1986). In *VISA*, the Ninth Circuit found that VISA's case, for recision or modification of an agreement between the parties relating to trademark usage, was heavily dependent on public confusion, and accordingly, essential discovery on that issue should not be precluded by summary judgment.[5] The same logic should apply here.

The Eleventh Circuit, in *Dean v. Barber*, vacated and remanded (in part) the District Court's grant of a summary judgment where discovery had not been completed. 951 F.2d 1210 (11th Cir. 1992). In that case, Dean, although not literally invoking Rule 56(f), had a motion to compel pending when summary judgment was granted. The court said that Dean should be given the opportunity to discover information relevant to the summary judgment, and that Dean may have been denied this opportunity. *Id.* at 1214.

The foregoing is not necessarily intended to be exhaustive, but is set forth to show that the way the Tenth Circuit disposes of summary judgment cases when discovery is not complete conflicts with the procedures of other Circuits acting under the same important provision of the Federal Rules of Civil Procedure. A review of other Tenth Circuit cases make it clear that the Tenth Circuit has adopted, contrary to other circuits and the purposes of Rule 56(f), a strict requirement of filing a Rule 56(f) affidavit. For instance, in *Committee For the First Amendment v. Campbell*, the Tenth Circuit said that "[u]nless dilatory or lacking in merit, [a motion under Rule 56(f)] should be liberally treated. (citations omitted). A prerequisite for granting relief, however, is an affidavit furnished by the non-movant." 962 F.2d 1517 (10th Cir. 1992) (citing *Pasternak v. Lear Petroleum Exploration, Inc.*, 790 F.2d 828, 832 (10th Cir. 1986)) (also cited by the Tenth Circuit in the present case).

The facts of the present case are particularly compelling for denying a motion for summary judgment, since the requested discovery was highly essential to the opposition, since petitioner had repeatedly sought that discovery, since respondent had repeatedly evaded the discovery requests and since the district court had even deemed the information "relevant" and compelled the information subject only to clarification by Petitioner, which was done. Still, Respondent did not comply with the District Court's order, and Petitioner was required to file yet another motion to compel. It was that motion that was pending at the time summary judgment was granted.

The Tenth Circuit below further stated:

Additionally, even if we assume that strict compliance with the rule is not required and acknowledge that the district court was apprised of UMC's alleged need for the requested discovery by virtue of UMC's outstanding motion to compel, UMC has failed to demonstrate 'how additional time will enable [it] to rebut [AT&T]'s allegations of no genuine issue of fact, [Tenth

Circuit citations omitted], as is also required of a Rule 56(f) affidavit. Surveying AT&T cardholders in the Kansas City and St. Louis metropolitan areas is not likely to produce significant evidence of actual confusion because none of these cardholders have attempted to use their cards in UMC ATMs. The 400 AT&T cardholders who actually attempted to use their cards in UMC ATMs is the pool of cardholders most likely to show significant confusion, and a study of these cardholders has already been completed, showing that even those in this pool were not confused. (B-17,18).

The foregoing statement by the court is so much in error and consists of such a gross fact finding mission by the court, that it deserves close attention in this petition. What the court is referring to is the fact that for a short period of time, from April 1990 through December 1990, the petitioner used some of its automatic teller machines to capture UNIVERSAL cards (of AT&T cardholders) attempting to improperly use their UNIVERSAL card in a UNIVERSAL MONEY automatic teller machine. Petitioner thereby captured approximately 400 UNIVERSAL cards of Respondent's cardholders who had attempted to improperly use their card in one of petitioner's machines bearing Petitioner's federally registered name "UNIVERSAL MONEY".

Petitioner, through its counsel, then attempted to obtain the names, addresses and phone numbers of these 400 cardholders using formal discovery provisions. However, these attempts were met with resistance by Respondent, and when petitioner finally obtained the requested information, it learned that respondent had already biased this pool of 400 cardholders. This bias is evidenced by a vitriolic response received from one of respondent's Universal cardholders in response to a letter (one of only approximately 14 sent) sent by petitioner's undersigned counsel. The letter read -- ASK YOUR AT&T QUESTION AND ANSWER PEOPLE NOT TO CALL ME. THREE CALLS LAST WEEK WERE THREE TOO MANY. As a result, petitioner abandoned its attempts at capturing cards, and elected to proceed solely with the formal discovery procedures to which it is entitled.

Accordingly, the Tenth Circuit's conclusion that the 400 Universal cards captured belonged to only and exclusively those UNIVERSAL cardholders who actually attempted to use their cards in UNIVERSAL MONEY automatic teller machines is entirely unfounded and illustrates the extreme prejudice which can result when a court engages in fact-finding, contrary to its duty, at the summary judgment stage. Those 400 cardholders

were captured only during a specific, limited time frame and Petitioner's outstanding discovery requests information regarding UNIVERSAL cardholders from "March 1990 to present". For the court to make its conclusion, it had to assume that Respondent's UNIVERSAL cardholders only attempted to use their cards in Petitioner's UNIVERSAL MONEY machines during a nine month period in 1990, and thereafter, no such improper attempts were made by UNIVERSAL cardholders. In view of the evidence of actual confusion already present in this case, it is likely that some UNIVERSAL cardholders, which were not in the pool of 400, have also used their cards in UNIVERSAL MONEY machines.

Moreover, whether a UNIVERSAL cardholder actually attempted to use his or her card in a UNIVERSAL MONEY machine is irrelevant. Petitioner need only show likelihood of confusion, which is not contingent upon a showing of actual confusion. Permitting petitioner to finally obtain information about the identity of Respondents UNIVERSAL cardholders will permit petitioner to take a survey of unbiased individuals.

Additionally, the Court's statement in Footnote 5 that "UMC's own failure to continue identifying the AT&T cardholders who were attempting to use their cards in UMC ATMs has prevented it from surveying other AT&T cardholders in the pool most likely to show signs of confusion" suggests that UMC was not entitled to the discovery provisions of the Federal Rules of Civil Procedure, but rather, was forced to go the discovery route on its own (without the benefit of the Rules), and thereby be forced to communicate with AT&T cardholders only after they had apparently been repeatedly contacted by AT&T.

This Court's supervisory powers are needed to resolve the conflict among Circuits in the application of Rule 56(f). This case presents the best possible facts for resolving this conflict because, here, the Court was clearly aware of the need for additional discovery. In fact, in granting summary judgment, the District Court of Kansas was essentially failing to enforce its own previous order for Respondent to produce the "relevant" discovery. Moreover, the information sought by Petitioner, but repeatedly evaded by Respondent, is directed to the core of Petitioner's case.

Judge Ebel's dissent further illustrates the need for this Court's supervisory input:

The discovery issue became moot only because the court never enforced its

original order despite its ruling that the information sought was "relevant." Somehow it seems circular to me to assert that a discovery request is moot because summary judgment has been entered and then also to justify the summary judgment as appropriate because the non-moving party did not advise the court of the need for more discovery.

Thus, I would hold that despite UMC's failure to file a 56(f) affidavit, the court was adequately informed that UMC needed the requested discovery to conduct a survey to refute AT&T's survey and that summary judgment was therefore improper until after AT&T complied with the discovery requests and UMC had enough time to make use of the information. To do otherwise simply rewards AT&T for its evasive and unresponsive answers to interrogatories that the district court previously decided were "relevant." (B-25,26).

Petitioner submits that the conflict among circuits and the sanctioning of the District Court by the Tenth Circuit in this case could not reach issues more fundamental to civil litigants than those here. Certainly, this case has tremendous importance to the parties and perhaps hundreds of millions of dollars are involved. However, the issues in this case reach far deeper.

At the foundation of the federal civil judicial system is a litigant's constitutional right to a trial by jury and proper application of the procedures of discovery and summary judgment. Moreover, at the core of every trademark infringement action is the question of likelihood of confusion. The decision by the Court of Appeals for the Tenth Circuit uproots the time-honored principles underlying those institutions of justice. The Tenth Circuit entirely disregarded the entitlement of Petitioner to established fundamental legal principles, and in doing so, precluded fairness, justice, and the constitutionally guaranteed right to trial by jury.

CONCLUSION

The Tenth Circuit is in clear conflict with courts of appeals of other circuits in its application of Rule 56(f), Fed. R. Civ. P., and so far departs from the accepted and usual course of judicial proceedings concerning summary judgment and trademark standards, as to call for an exercise of this Court's power of supervision.

The petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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[1] One reasonable interpretation is that AT&T provides the long distance services of the card, VISA the credit card services, and Petitioner the access to money from a UNIVERSAL MONEY automatic teller machine. This and Judge Ebel's statement are supported by the overwhelming and disproportionate number of attempts by Respondent's UNIVERSAL cardholders to obtain money from Petitioner's UNIVERSAL MONEY automatic teller machines.

[2] Moreover, evidence shows that the public, as shown now by numerous publications, know AT&T's product as the "UNIVERSAL CARD". "UNI VERSAL", not "The AT&T Universal Card" was a mark for consideration in AT&T's name game. Additionally, an affinity Agreement between Respondent's licenses the use of the "trademark UNIVERSAL".

[3] As illustrated, the Panel's improper fact-finding regarding the similarity of marks undermines the entire decision.

[4] "[AT&T's] actions and contentions are surrounded by an aura of indifference to plaintiff's rights and a smug willingness to determine unilaterally that the good will plaintiff has sought to foster could safely be treated as a nullity." *W.E. Basset Co. v. Revlon, Inc.*, 435 F.2d 656 (2d Cir. 1970).

[5] VISA had filed a Rule 56(f) affidavit.

UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

UNIVERSAL MONEY CENTERS, INC., Plaintiff-Appellant	)
v.	)No. 92-3259
AMERICAN TELEPHONE & TELEGRAPH CO., UNIVERSAL BANK, Defendants-Appellees.)	)

ORDER
Entered June 10, 1994

Before TACHA, BRORBY and EBEL, Circuit Judges

This matter comes on for consideration of appellant's petition for rehearing and suggestion for rehearing in banc.

Upon consideration whereof, the petition for rehearing is denied by the panel that rendereed the decision sought to be reheard. Judge Ebel voted to grant rehearing.

In accordance with Rule 35(b), Federal Rules of Appellate Procedure, the suggestion for rehearing in banc was transmitted to all of the judges of the court who are in regualr active service. No member of the panel and no judge in regular active service on the court having requested tthat the court be polled on rehearing in banc, Rule 35, Federal Rules of Appellate Procedure, the suggestion for rehearing in banc is denied.

Entered for the Court
ROBERT L. HOECKER, Clerk

By: /s/ L. Bazano
Deputy Clerk

UNITED STATES COURT OF APPEALS
TENTH CIRCUIT

UNIVERSAL MONEY CENTERS, INC., Plaintiff-Appellant	)
v.	)No. 92-3259
AMERICAN TELEPHONE & TELEGRAPH CO., UNIVERSAL BANK, Defendants-Appellees.)	)

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS
(D.C. No. 90-2201-0)

Carter H. Kokjer (Joseph B. Bowman, Kokjer, Kircher, Bowman Johnson, P.C., Kansas City, Missouri, on the briefs), Kokjer, Kircher, Bowman & Johnson, P.C., Kansas City, Missouri, fort-he Plaintiff-Appellant.

Kirk T. May, of Rouse, Hendricks, German, May & Shank, P.C., Kansas City, Missouri, for the Defendants-Appellees. Noah J. Hanft, of AT&T Universal Card Services Corp., Jacksonville, Florida, of counsel.

Before TACHA, BRORBY, and EBEL, Circuit Judges.

TACEA, Circuit Judge.

Plaintiff-appellant Universal Money Centers, Inc. ('ILNCII) filed an action against defendant-appellee American Telephone and Telegraph Co. ("AT&T") alleging trademark infringement as a result of AT&T's use of the word "Universal" to describe its combination telephone and retail credit card. The district court entered an order granting AT&T's motion for summary 7udgment. UMC appeals. We exercise jurisdiction under 28 U.S.C. SS 1291 and 15 U.S.C. § 1121 and affirm.

I. Background

UMC is a Missouri corporation with its principal offices in Shawnee Mission, Kansas, and is the owner of four registered trademarks incorporating the word "UNIVERSAL": (1) "UNIVERSAL MONEY CARD" (with the words "MONEY CARD" disclaimed); (2) "UNIVERSAL MONEY CENTER" (with the words "MONEY CENTER" disclaimed); (3) "UNIVERSAL MONEY" and design (with the word "MONEY" disclaimed); and (4) "UNIVERSAL MONEY" (with the word "MONEY" disclaimed). Since 1981, UMC has provided electronic banking services and has contracted with various financial institutions to issue to their customers plastic electronic banking cards bearing one of UMC's trademarks. (See Appendix.)

UMC has approximately 160,000 cardholders throughout the United States. UMC cardholders may use their cards to purchase goods and services at selected retail establishments, to access selected insurance products, and to obtain cash from automaticteller machines ("ATMs") operated by UMC or from ATMs owned by organizations such as American Express, Discover, Cirrus and BankMate with whom UMC has an association or affiliation through an electronic funds transfer network. Reciprocally, the cardholders of these affiliated organizations may use their cards in any of the ATMs operated by UMC. UMC customarily places its trademarks on its electronic bankinq cards, on vrinted material accompanying the cards when the cards are mailed to customers, on .ATM receipts, on signs displayed at banks and business establishments accepting UMC's cards and on the ATMs themselves.

On March 26, 1990, AT&T introduced a new combination tele-

phone and retail credit card — the "AT&T Universal Card." (See Appendix.) As of February 1991, AT&T had spent over $60 million to promote its card by means of direct mail and telemarketing campaigns and by advertising in the media, including national newspapers, magazines and television. AT&T has more than 10,000,000 cardholders. The AT&T Universal Card is affiliated with Visa and MasterCard and may be used to place telephone calls, to make purchases at retail stores affiliated with VISA and MasterCard and to obtain cash from ATMs displaying the "Plus" or "VISA" logos. AT&T cardholders cannot use their cards to obtain cash from ATMs operated by UMC because AT&T and UMC are not affiliated.

UMC first became aware of the AT&T Universal Card on March 26, 1990, when some UMC executives and employees saw an AT&T television commercial broadcast during the Academy Awards presentation. Shortly thereafter, UMC filed a motion for a preliminary injunction seeking to enjoin AT&T[1] from using the term "Universal" in connection with the AT&T Universal Card on the basis that AT&T's use of the term constituted trademark infringement under 15 U.S.C. § 1114(1), false designation of origin under 15 U.S.C. § 1125(a), and unfair competition under state common law. On August 30, 1990, the district court issued an order denying UMC's motion for a preliminary injunction. UMC then amended its complaint by adding a request for money damages.

On November 7, 1991, AT&T filed a motion for summary judgment. The court granted AT&T's motion on June 16, 1992, finding as a matter cf law that AT&T's use of the word "Universal,, is not likely to cause confusion as to the source of the AT&T Universal Card cr the source of UMC's products and services. UMC now appeals.

II. Discussion

A. Standard of Review

We review the grant of summary judgment de novo, using the same standard applied by the district court. Applied Genetics Int'l,

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1 UMC later added Universal Bank as a defendant. Universal Bank is the bank sponsor of the AT&T Universal Card.

Inc. v. First Affiliated Sec., Inc., 912 F.2d 1238, 1241 (10th Cir. 1990). Summary judgment is avpropriate "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving,party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). "When applying this standard, we examine the factual record and reasonable inferences therefrom in the light most favorable to the party opposing summary judgment." Applied Genetics, 912 F.2d at 1241.

While the party moving for summary judgment bears the burden of showing the absence of a genuine issue cf material fact, the moving party need not negate the nonmovant's claim, but need only point out to the district court "that there is an absence of evidence to support the nonmoving party's case." Celotex Corp. v. Catrett, 477 U.S. 317, 325 (1986). If the moving party carries this initial burden, the party opposing the motion for summary judgment 'may not rest upon mere allegations or denials of his pleading," Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 256 (1986), but 'must set forth stpecific facts showing that there is a genuine issue for trial as to those dispositive matters for, which it carries the burden of proof." Applied Genetics, 912 F.2d at 1241 (emphasis added); see also Celctex, 477 U.S. at 324. An issue of material fact is "genuinell if a "reasonable jury could return a verdict for the nonmoving party." Anderson, 477 U.S. at 248. "The mere existence of a scintilla of evidence in support of the plaintiff's position will be insufficient" to defeat a properly supported motion for smmary judgment. Id. at 252.

B. Likelihood of Confusion

The unauthorized use of "any reproduction, counterfeit, Copy, or colorable imitation" of a registered trademark in a way that "is likely to cause confusion" in the marketplace concerning the source of the different products constitutes trademark infringement under the Lanham Act. 15 U.S.C. § 1114(l)(a); see Beer Nuts, Inc. v. Clover Club Foods Co. (Beer Nuts II), 805 F.2d 920, 924 (10th Cir. 1986); see also Jordache Enters., Inc. v. HoacT Wvld, Ltd., 828 F.2d 1482, 1484 (10th Cir. 1987) (noting that a similar test is used for false designation of origin claims under 15 U.S.C. § 1125(a)). Notwithstanding the fact that UMC's registered trademarks have become

incontestable under 15 U.S.C. SS 1065, 11[tlhe party alleging infringement has the burden of proving likelihood of confusion." Jordache, 828 F.2d at 1484. Thus, to prevail on its claims, UMC must demonstrate that AT&T's use of the term "Universal,, is likely to cause consumers to believe either that UMC is the source of the AT&T Universal Card (direct confusion), or alternatively, that AT&T is the source of UMC's products and services (reverse confusion). See Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 958 (7th Cir. 1992) (noting that several circuits have found reverse confusion to be a valid basis for a trademark infringement claim under the Lanham Act), cert. denied, 113 S. Ct. 1879 (1993); see also Big 0 Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., 561 F.2d 1365, 1371-72 (10th Cir. 1977) (establishing the doctrine of "reverse confusion"), cert. dismissed, 434 U.S. 1052 (1978).

The following factors are considered in determining whether there is a likelihood of confusion between two marks:

(a) the degree of similarity between the designation and the trade-mark or trade name in
  (i) appearance;
  (ii) pronunciation of the words used;
  (iii) verbal translation of the pictures or designs involved;
  (iv) suggestion;
(b) the intent of the actor in adopting the designation;

(c) the relation in use and manner of marketing between the goods or services marketed by the actor and those marketed by the other;
(d) the degree of care likely to be exercised by purchasers.

Jordache, 828 F.2d at 1484. "This list is not exhaustive. All of the factors are interrelated, and no one factor is dispositive." Id. In this case, for example, evidence of actual confusion and t.he strength or weakness of UMC's trademarks are two additional relevant factors. See Nikon Inc. v. Ikon Corp., 987 F.2d 91, 94 (2d Cir. 1993) (listing evidence of actual confusion and strength or weakness of trademark as relevant factors) ; DeCosta v. Viacom Int'l, Inc., 981 F.2d 602,

606 (1st Cir. 1992) (same), cert. denied, 113 S. Ct. 3039 (1993); Americana Trading, Inc. v. Russ Berrie & Co., 966 F.2d 1284, 1287 (9th Cir. 1992) (same).

After examining the above four factors as well as evidence of actual confusion and the strength of UMC's marks, the district court concluded as a matter of law that consumers in the marketplace are not likely to be confused. UMC contends that the district court erred in granting summary judgment because conflicting evidence of confusion demonstrates that a genuine factual dispute exists. Because we find that a reasonable jury could not conclude that AT&T's use of the word "Universal" is likely to cause confusion as to the source of the AT&T Universal card or UMC's products and services, we affirm the district court's grant of summary judgment. [2]

1. Similarity of the Marks

The degree of similarity between marks is tested on three levels as encountered in the marketplace: sight, sound, and meaning. Beer Nuts, Inc. v. Clover Club Foods Co. (Beer Nuts I), 711 F.2d 934, 940 (10th Cir. 1983). In evaluating similarity, we must not engage in a "side-by-side" comparison. Id. at 941. Rather, "the court must determine whether the alleged infringing mark will be confusing to the public when singly presented." Id. Further, similarities between marks should be given more weightthan differences. Jordache, 828 F.2d at 1485.

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2 UMC suggests that trademark infringement cases should not be decided at the summary judgment stage because they involve complex factual issues and require credibility determinations. While we agree that the issue of likelihood of confusion is a question of fact, Amoco Oil Co. v. Rainbow Snow, Inc., 809 F.2d 656, 661 (10th Cir. 1987), this does not preclude the entry of summary judgment in trademark infringement cases. Indeed, as the Second Circuit has pointed out,

> courts retain an important authority to monitor the outer limits of substantial similarity within which a jury is permitted to make the factual determination whether there is a likelihood of confusion as to source.. Thoughlikelihood of confusion is frequently a fairly disputed issue of fact on which reasonable minds may differ, the issue is amenable to sununary judgment in appropriate cases.

Warner Bros. v. American Broadcasting Cos., 720 F.2d 231, 246 (2d Cir. 1983) (citations omitted).

We agree with the district court that reasonable jurors could only conclude that "the degree of similarity between UMC,s registered trademarks and the mark 'AT&T Universal Card' is minimal." First, the appearance of the marks is strikingly dissimilar, thus precluding confusion even when the marks are "singly presented." Although both marks use the word "universal," significant differences exist in the overall design of AT&T's card and UMC's cards and ATM markings, including the lettering styles, logos and coloring schemes. UMC never uses the UNIVERSAL mark alone, but always uses it with "MONEY" — UNIVERSAL MONEY, UNIVERSAL MONEY CARD, and UNIVERSAL MONEY CENTER. AT&T, on the other hand, never uses the word "Universal" with the word "money," but rather with the AT&T mark. Unlike AT&T's card, neither the Visa nor the MasterCard logo appear on UMC's cards. In addition, .a-significant number of UMC's cards are not primarily marked as "UNIV-ERSAL MONEY" cards at all, but instead display the name of an affiliate bank on the front of the card. Second, the marks have different sounds and cadences — "AT&:T Universal Card" versus "Universal Money." Third, largely relating back to the first two factors, the two marks do not convey the same idea or stimulate the same mental reaction. See Standard Oil Co. v. Standard Oil Co., 252 F.2d 65, 74 (10th Cir. 1958).

Despite these marked differences, UMC argues that a q4estion for the jury exists because the ward "Universal" on AT&T's card is equal in prominence to the house mark of "AT&:T,ll and "yet is set off from [the mark "AT&Tll] so as to assume a significance of its own in a manner that is confusingly similar to the name 'UNIVERSAL' on [UMC's] money card." This argument misses the mark.

While it is true that the dominant portion of each mark is entitled to greater weight in evaluating the likelihood of confusion, each mark is to be considered as a whole. See Giant Food, Inc. v. Nation's Foodservice, Lnc., 710 F.2d 1565, 1570-71 (Fed. Cir. 1983). Even assuming that the word "Universal,, is the dominant portion of AT&T's mark, the mark as a whole clearlyis not "confusingly similar" to UMC's marks, especially in light of the distinctive AT&T house mark prominently displayed on the front of AT&T's card. See Pignons S.A. de Mecanicrue de Precision v.Polaroid Corp-, 657 F.2d 482, 487 (1st Cir. 1981) (affirming summary judgment for defendant

Polaroid in part because Polaroid's logo was clearly displayed on its products and advertising). Moreover, UMC's argument is based on the erroneous contention that, just because the words "MONEY CARD," "MONEY CENTER" and "MONEY" have been disclaimed by the United States Patent and Trademark Office as descriptive of the services UMC renders, this court must make its comparison by focusing primarily on the "UNIVERSAL" mark on UMC's card. Our focus, however, is not so limited. "[Tlhe disclaimed material still forms a part of the mark[s] and cannot be ignored in determining likelihood of confusion." Giant Food, 710 F.2d at 1570. In short, the differences between the marks greatly outweigh any similarities.

2. Intent of AT&T in Adopting the Term "Universal"

AT&T selected the word "Universal" to describe its new combination calling and retail credit card after several employees suggested the word in a "name game" contest and after conducting consumer reaction studies. in accordance with AT&T's normal operating procedures, AT&T's in-house trademark counsel then conducted a trademark search of the word "universal." Her search turned up approximately 200 registered marks using the word . "universal, " including UMC Is marks. She analyzed LTMC's marks in their entirety, concluded that there was no likelihood of confusion, and advised AT&T business personnel that the word "universal" was available, but that its use posed a risk because the word was widely used and because AT&T was "particularly vulnerable to complaints of infringement because we are AT&T."

The district court concluded that "the record is void of any evidence that AT&T chose the term 'Universal' with the intent of copying UMC's marks or confusing the public as to the sponsorship or affiliation of its card." On appeal, UMC alleges that the facts surrounding AT&T's adoption of the word "Universal" raise a genuine issue of material fact as to AT&T's intent. we disagree. Although the 'deliberate adoption of a similar mark may lead to an inference of intent to pass off goods as those of another which in turn supports a finding of likelihood of confusion," Beer Nuts II, 805 F.2d at 927, "mere knowledge [of a similar mark] should not foreclose further inquiry," GTE Coco. v. Williams, 904 F.2d 536, 541 (10th Cir.), cert. denied, 498 U.S. 998 (1990). "The proper focus [remains] whether defendant had the intent to derive benefit from the reputation or

goodwill of plaintiff." Jordache, 828 F.2d at 1485 (internal quotations omitted). Here, viewing the evidence in the light most favorable to UMC, there are absolutely no facts to support an inference that AT&T adopted the word "Universal" with the intent to derive benefit from UMC's marks. AT&T's inhouse trademark counsel undoubtedly knew about UMC's federally registered marks and that UMC and other owners of the mark might challenge AT&T's use of the word "universal." However, in the larger factual context of this case, this is simply not enough. Indeed, the fact that AT&T has spent more than $60 million inpromoting its card strongly suggests that AT&T is relying on its own publicity and reputation, and not on that of UMC. See Proctor & Gamble Co. v. Johnson & Johnson Inc., 485 F. SuDp. 1185, 1201 (S.D.N.Y. 1979), aff'd, 636 F.2d 1203 (2d Cir. 1980).

3. Similarity of Services and Manner of Marketing Services

a. Similarity of services

"The greater the similarity between the products and services, the greater the likelihood of confusion." Exxon Corp. v. Texas Motor Exch., 628 F.2d 500, 505 (5th Cir. 1980). The district court found that reasonable jurors could conclude only that the services offered through the cards are substantially different, pointing out that the UMC cards are used primarily to obtain cash from ATMs with the additional ability to make certain retail debit purchases and to access selected insurance products, whereas the AT&T Universal Card is a credit card used primarily to make long-distance telephone calls and retail purchases with the additional benefit of obtaining cash from ATMS. We find this distinction to be overly technical for purposes of the "likelihood of confusion" test. The services offered through the cards are similar even though technical differences exist as to their manner of operation and primary purpose. Both cards can be used to obtain cash at ATMS, both can be used to make selected retail purchases, and both can be used to access selected insurance benefits. Nevertheless, though this factor weighs in UMC's favor, it carries little weight in light of the fact that the marks themselves are strikingly dissimilar.

b. Similarity in manner of marketing services

AT&T has spent millions of dollars advertising and promoting the AT&T Universal Card directly to the public through a variety of media sources. In contrast, UMC currently does not advertise

directly to the public. Rather, UMC markets its services primarily to financial institutions who, in turn, market cards to their own account-holders. The district court concluded, and we agree, that these significant differences in the parties' methods of advertising curtail the possibility of confusion. See Victory Pipe Craftsmen, Inc. v. Faberge, Inc., 582 F. Supp. 551, 558 (N.D. Ill. 1984).

UMC nevertheless contends that a genuine factual issue exists because both cards are distributed by sponsoring banks through the mail with accompanying promotional materials which explain the accessible services and methods of use. Though both cards are issued by a sponsoring bank, the distribution process cannot be said to create confusion in this case. Someone desiring an AT&T Universal Card must first seek out and consciously select AT&T as the card provider. Thus, AT&T customers are aware that they are receiving an AT&T card. Someone desiring a UMC card may only receive a card if he or she has an account at a financial institution that is affiliated with UMC. Thus, UMC cardholders are not given the impression that they are receiving a UMC card, but rather a particular financial institution's ATM card. In the end, the fact that the sponsoring bank may send both cards in the mail with documentation is irrelevant.

4. Degree of Care Exercised by Consumers

The fourth factor relevant to the likelihood of confusion inquiry is the degree of care with which consumers choose the products in the marketplace. Beer Nuts I, 711 F.2d at 941. Based on the uncontroverted testimony of AT&T cardholders, the district court concluded that consumers exercise at least moderate care in choosing between providers of ATM cards. See Omaha Nat'l Bank v. Citibank (S. Dakota), N.A., 633 F. Supp. 231, 235-36 (D. Neb. 1986) (holding that consumers exercise a relatively high degree of care when choosing between providers of ATM cards). UMC does not dispute the fact that consumers exercise moderate care in choosing an ATM card. Rather, UMC argues that consumers exercise a low degree of care when using their ATM cards, thus supporting its claim of likelihood of confusion.

we agree with UMC that the inquiry in this case should focus on the consumers, actions at the time they use their cards rather than

when they choose an ATM card provider because the purpose of the inquiry is to determine the degree of care used by consumers at the time of "purchase." One does not make a "purchase" when selecting a provider of an ATM card. Rather, one purchases products and services when one uses the ATM card. We also agree with UMC that consumers exercise a low degree of care when using their ATM cards. This much is evident from a number of affidavits from AT&T's own cardholders, who stated that they thought ATMs accepted almost any type of card.

Nevertheless, the same AT&T customer affidavits demonstrate that the low degree of care exercised by consumers when using their ATM cards does not create a material factual issue regarding the likelihood of confusion in this case. The affiants stated that their use of the AT&T Universal Card in UMC ATMs was not the result of any confusing similarities between the two marks. They "just figured any machine was going to work." Thus, UMC's argument proves too much — any ATM card can be confused with any other ATM card or machine, notwithstanding any similarities between the marks on the cards or machines.

5. Strength of the Mark

Although not specifically listed as a relevant factor in Beer Nuts II, we believe the district court properly considered the relative weakness of UMC's marks. "A strong trademark is one that is rarely used by parties other than the owner of the trademark, while a weak trademark is one that is often used by other parties." Exxon, 628 F.2d at 504. "The greater the number of identical or more or less similar trademarks already in use on different kinds of goods, the less is the likelihood of confusion" between any two specific goods incorporating the weak mark. Id. (quoting Restatement of Torts § 729, comment g (1938)). As the district court stated:

> Here, UMC has clearly used its marks for a substantial period of time. Nonetheless, the evidence produced by AT&T and uncontroverted by UMC indicates that the term "Universal,, is widely used by parties other than UMC. In particular,

the term is in use by approximately six financialinstitutions throughout the country who have used the term on their own ATM cards. The term is also in use by two credit card companies ("Universal Gold Card" and "Universal Premiere Card") [which] have issued approximately 240,000 credit cards displaying the term. Further, Dun-& Bradstreet shows over 200 active businesses employing the term. In short, the term is used by a significant number of entities and is thus a relatively weak mark.

6. **Actual** Confusion

Actual confusion in the marketplace is often considered the best evidence of likelihood of confusion. Jordache, 828 F.2d 1487. In support of its motion for summary judgment, AT&T offered the results of a thorough market research survey conducted by Dr. Thomas DuPont. [3] The survey involved interviews with 303 of .approximately 400 AT&T cardholders who attempted to use their AT&T Universal Cards in UMC ATMs from April 1990 to December 1990. The data showed that, at most, 2.6% of these cardholders appeared to make an association or connection between the word "UNIVERSAL" on the ATMs and the word "Universal" on the AT&T Universal Card. Dr. DuPont concluded that 2.6% is a de minimis number and that it is extremely unlikely that consumers make any connection or association between the AT&T Universal Card and UMC.

As further evidence of the lack of actual confusion in the marketplace, AT&T offered the testimony and affidavits of 40 of the 400 AT&T cardholders who attempted to use their cards in a UMC ATM.

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3 Surveys can be used as evidence of actual confusion, "but their evidentiary value depends on the relevance of the questions asked and the technical adequacy of the survey procedures." Coherent, Inc. v. Coherent Technologies, Inc., , 935 F.2d 1122, 1126 (10th Cir. 1991). Dr. DuPont is an expert in the field of marketing research, consumer behavior and marketing and consumer communications. UMC did not challenge his qualifications and did not controvert that the survey was conducted in compliance with generally accepted survey principles and recognized professional survey standards.

A sample of the cardholders, affidavits and testimonies is enlightening. Danny Ray Cox stated:

> I am not familiar with the various ATM networks. My understanding and experience has been that ATMs generally accept almost any type of card. I am not familiar with, nor have I ever heard of, Universal Money.
>
> The fact that Universal Money's logo may have been on the Metro North Bank ATM had nothing to do with why I tried my AT&T card at that ATM.

Stephen G. Hoofinger similarly stated:

> On October 5, 1990 I attempted to use my AT&T Universal Visa Card to obtain cash from the ATM at the Merchants Bank on Westport Road, Kansas City, MO. I had never used my AT&T Universal Visa Card to obtain cash from an ATM before this occasion. I did not know if my AT&T Universal Visa Card would work in the ATM at the Merchants Bank, but I thought I would try it anyway because I was near the bank and needed cash. The ATM at the Merchants Bank rejected my AT&T card.

The fact that Universal Money Centers' logo may have been on the Merchants Bank's ATM had nothing to do ATM. I have never heard of Universal Money Centers.

Wolfgang Webern testified as follows:

> Q. *Now,* why did you think you could use your AT&T Universal Card at the ATM at the 7-11 store on St. Charles Rock Road?
>
> A. Because I've used another card, a Discover Card, I had used that in the same machine. It had a different personal identification number, and it worked, and I assumed because the Discover Card worked, that this

card would also work, and I was mainly going there to try this out with the different personal identification number that I had.

Q. Okay. Do you recall seeing a Universal Money Center or a Universal Money sign on the ATM?

A. *No.*

Q. Okay, and do you know that your AT&T Universal Card had the word universal on its face?

A. Yes.

Q. Now, did the fact that the word universal was on your AT&T Universal Card and the fact that the word Universal Money or Universal Money Center may have been on the ATM, have anything to do with why you thought you could use your AT&T Universal Card in that ATM?

A. No. I just thought it was a money machine, and since I had used the other credit card, that this one would work also.

Judy Gail Huber Pollan testified:

Q. I want to make sure this Is clear for the record. Is it fair to say that you did not decide to use this machine because of any Universal Money or Universal Money Center sign on the machine?

A. Yes.

Q. That was not a reason why you —

A. That was not the reason why I used it. It is just an

> ATM, and I went to an ATM. I never even put Universal together with anything.

In opposition to AT&T's motion for summary judgment, UMC submitted the affidavit of Marilyn Campo, UMC's Special Projects Coordinator, in which she states that 14 of 64 AT&T cardholders contacted as part of a UMC telephone poll said they used the AT&T Universal Card in a UMC ATM because the word "universal" was displayed on both the card and the ATM. Additionally, Dave Windhorst, UMC's Senior Vice-President, testified that UMC is receiving complaints and inquiries from cardholders and financial institutions about any affiliation between UMC's ATM card and the AT&T Universal Card. Without providing any underlying data, he testified further that AT&T's cardholders are attempting to use their cards in UMC ATMs at a rate approximately 4.5 times greater than would be expected based on the number of AT&T Universal Cards outstanding as compared to other third-party cards. UMC also offered the results of Dr. DuPont's survey and the testimony of Richard Fjellman, an AT&T cardholder who attempted to use his AT&T
Universal Card in a UMC ATM.[4] UMC alleges that this evidence of actual confusion creates a material factual issue regarding the likelihood of confusion. We disagree.

Because we must view the evidence in the light most favorable to UMC, Appied Genetics, 912 F.2d at 1241, we assume that the employee affidavits, the survey results and Mr. Fjellman's .testimony constitute some evidence of actual confusion, though this is a gener

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4 UMC offered two other pieces of evidence, neither of which demonstrates actual confusion. First, UMC introduced an AT&Tcardholder's vitriolic response to a UMC inquiry regarding the use of her AT&T Universal Card at a UMC ATM. The cardholder's response, however, does not show that she was confused by the similarity of the marks, but merely shows that she was confused about the litigation between UMC and AT&T. Second, UMC offered the deposition testimony of Judy Qualkinbush, Assistant Vice-President of Blue Springs Bank. Ms. Qualkinbush's testimony, however, does not show actual confusion. She merely testified that, upon seeing the AT&T Universal Card, she was "concerned" that her bank's customers would be confused, even though she did not think the card was affiliated with UMC in any way.

ous interpretation of the record. Nevertheless, evidence of some actual confusion does not dictate a finding of likelihood of confusion. Woodsmith Pub. Co. v. Meredith Corp. 904 F.2d 1244, 1249 (8th Cir. 1990) (stating that "[t]hough evidence of actual confusion may be the best evidence of likelihood of confusion, it is not conclusive of its existence"). We find these isolated instances of actual confusion to be de minimis. See 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 23.02[21[b], at 29 (3d ed. 1992) ("Evidence of actual confusion of a very limited scope may be dismissed as de minimis: 'Probable confusion cannot be shown by pointing out that at some place, at some time, someone made a false identification.'") (quoting McGraw-Hill Pub. Co. v. American Aviation Assocs., Inc., 117 F.2d 293, 295 (D.C. Cir. 1940)). De minimis evidence of actual confusion does not establish the existence of a genuine issue of material fact regarding likelihood of confusion, especially where, as here, AT&T has introduced substantial, reliable evidence in support of its motion for summary judgment demonstrating no significant actual confusion in the marketplace. See Woodsmith, 904 F.2d at 1249 (holding that some evidence of actual confusion does not create a genuine issue of material fact regarding likelihood of confusion where defendant presents evidence providing a "reasonable explanation and serving to discount for [the] isolated instances of confusion"). The de minimis evidence of actual confusion is especially undermined in this case by the sheer lack of similarity between the marks. We therefore conclude, as did the district court, that UMC failed to come forth with sufficient 'specific facts [of actual confusion] showing that there is a genuine issue for trial,, on the likelihood of confusion issue. Applied Genetics, 912 F.2d at 1241.

In sum, though none of the six factors alone is dispositive, we conclude as a matter of law that there is no likelihood of confusion between the two marks. UMC's failure to sufficiently rebut AT&T's preliminary showing of no significant actual confusion in the marketplace, particularly in light of the fact that the two marks are strikingly dissimilar, convinces us that a "reasonable jury could [not] return a verdict for [UMC] Anderson, 477 U.S. at 248. Therefore, no genuine issue of material fact exists for trial and summary judgment is appropriate.

C. Outstanding Discovery Requests

During discovery, UMC requested that AT&T disclose the identity of all cardholders located within a thirty mile radius of the Kansas City and St. Louis metropolitan areas. AT&T responded by listing the number of accounts opened per month in the designated areas and by objecting to the request for the identity -of each cardholder. UMC then filed a motion to compel AT&T to provide complete responses and to impose sanctions against AT&T. The district court found UMC's motion moot when it granted AT&T's motion for summary judgment.

UMC contends that summary judgment is premature because the district court never ruled on UMC's motion to compel. Accordingto UMC, obtaining the requested information will enable it to conduct a survey of the Kansas City and St. Louis AT&T Universal Card cardholders and thereby "pursue further relevant evidence of actual consumer confusion which goes to the issue of likelihood of confusion."

The rule is clear: "Although the Supreme Court has held that, under Fed. R. Civ. P. 56 (f) , summary judgment [should] be refused where the nonmoving party has not had the opportunity to discover information that is essential to his opposition, this protection arises only if the nonmoving party files an affidavit explaining why he or she cannot present facts to oppose the motion." Dreiling v. Peugeot Motors of Am., Inc., 850 F.2d 1373, 1376 (10th Cir. 1988) (internal quotations and citations omitted); see also Pasternak v. Lear Petroleum Exploration, Inc., 790 F.2d 828, 83233 (10th Cir. 1986) ("Where a party opposing summary judgment and seeking a continuance pending completion of discovery fails to take advantage of the shelter provided by Rule 56(f) by filing an affidavit, there is no abuse of discretion in granting summary judgment if it is otherwise appropriate."). Here, UMC failed to file a Rule 56(f) affidavit explaining why it could not present facts to oppose AT&T's motion.

Additionally, even if we assume that strict compliance with the rule is not required and acknowledge that the district court was apprised of UMC's alleged need for the requested discovery by virtue of UMC's outstanding motion to compel, UMC has failed to demonstrate "how additional time will enable [it] to rebut [AT&T]'s allegations of no genuine issue of fact," Dreiling, 850 F.2d at 1377 (quoting

Patty Precision v. Brown & Sharpe Mfg. Co., 742 F.2d 1260, 1264 (10th Cir. 1984)), as is also required of a Rule 56(f) affidavit. Surveying AT&T cardholders in the Kansas City and St. Louis metropolitan areas is not likely to produce significant evidence of actual confusion because none of these cardholders have attempted to use their cards in UMC Atms. The 400 AT&T cardholders who actually attempted to use their cards in UMC ATMs is the pool of cardholders most likely to show significant confusion, and a study of these cardholders has already been completed, showing that even those in this pool were not confused. Moreover, though UMC had the opportunity, it failed to conduct a thorough survey of the 400 AT&T cardholders. [5] UMC contends that it was precluded from completing an unbiased survey of the 400 AT&T cardholders because they had been tainted by Dr. DuPont's previous survey. Even so, Dr. DuPont's

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5 The law firm representing UMC sent letters to some of the 400 AT&T cardholders explaining the firms representation of UMC and "respectfully requesting" that the AT&T cardholders sign and date an enclosed form. The form accompanying each letter read as follows:

> To Whom It May Concern:
>
> I have used my AT&T Universal Card in a Universal Money ATM machine and my requested transaction was rejected.
>
> At the time I attempted the said transaction, I believed that my AT&T Universal Card would work in the Universal Money ATM because the name "UNIVERSAL" appeared both on my card and the involved ATM machine.
>
> Signed:_____
>
> Dated:_____

None of the AT&T cardholders signed and returned this form.

We also point out that, after identifying the 400 AT&T cardholders who attempted to use their cards in UMC ATMS from April 1990 to December 1990, UMC abandoned the process of identifying attempted AT&T Universal Card uses at the direction of its legal counsel. Thus, UMC's own failure to continue identifying the AT&T cardholders who were attempting to use their cards in UMC ATMs has prevented it from surveying other AT&T cardholders in the pool most likely to show signs of confusion.

survey itself clearly demonstrates that only a de minimis 2.6% of the 400 cardholders appeared to make any association between the twomarks, and we fail to see how surveying Kansas City and St. Louis cardholders who never attempted to use their AT&T Universal Cards in UMC ATMs can possibly produce more evidence of actual confusion than Dr. DuPont's thorough survey.

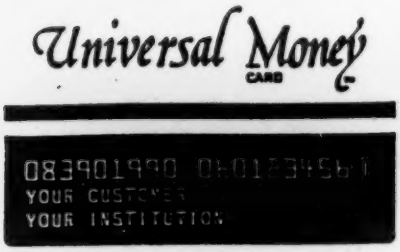
III. Conclusion

We find that a reasonable jury could not conclude that AT&T's use of the word "Universal,, is likely to cause confusion as to the source of the AT&T Universal card or UMC's products and services. We **AFFIRM** the district court's grant of summary judgment in favor of AT&T.

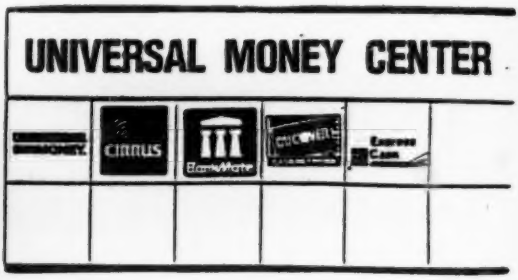
APPENDIX

UMC's Trademarks

(1)

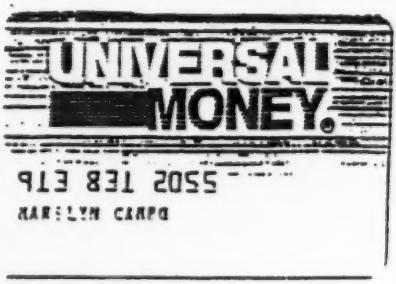


(2)



(3)

(4)



AT&T Universal Card

Universal Money Centers v. AT&T, Case No. 92-3259 Ebel, Circuit Judge, dissenting.

I respectfully dissent from the majority's decision that a reasonable jury could not conclude that AT&T's use of the word "Universal" on its multiuse financial and phone card is likely to cause confusion as to the source of the AT&T Universal card or UMC's products and services. I think UMC presented enough evidence that, when taken in the light most favorable to it, a reasonable jury could find in its favor. Additionally, I think the district court erred when it granted AT&T summary judgment despite UMC,s repeated requests for discovery. Applying the same summary judgment standard that the majority articulated, I would find that there is a genuine issue of material fact in dispute.

UMC's evidence includes the fact that in a nine month period, in a limited geographic area, 400 AT&T cardholders attempted to use their cards in UMC's Atms. The AT&T card displays the word "Universal" in the upper right-hand corner of the card, the AT&T logo in the upper left-hand corner, and the Visa logo in the lower right-hand corner. Thus, a cardholder-might think that the AT&T card is sponsored both by visa and by Universal. Additionally, AT&T's own expert found some evidence of actual confusion.

Moreover, as the majority acknowledges, UMC submitted affidavits from two employees that showed actual confusion on the part of AT&T customers. Marilyn Campo, UMC's Special Projects Coordinator, stated that she conducted a phone survey of 64 AT&T cardholders who had used their card in one of UMC's ATMs and that14 of them (220-.) said they used their AT&T card in the UMC ATM because the name "Universal" appeared on both. Mr. Windhorst, Senior Vice-President of UMC, stated that AT&T cardholders were 4.5 times more likely to use their card in UMC's ATMs than other ATM users who did not use a UMC card. Mr. Windhorst also testified that UMC had received complaints and inquiries from cardholders and financial institutions about any affiliation between AT&T and UMC.

The majority dismisses UMC's evidence of actual confusion as de minimis, and instead places much weight on Dr. DuPont's survey, which itself found some actual confusion. The majority, and AT&T, however, fail to explain why UMC,s telephone survey of 64

of the same 400 cardholders that encompassed the universe for Dr. DuPont's survey yielded a 22% rate of confusion, while Dr. DuPont's yielded only a 2.6% rate of confusion. Moreover, no explanation is provided that would explain, as anything but, , confusion, the evidence that AT&T cardholders are 4.5 times more likely to attempt to use their card in UMC's ATMs than other ATM users who did not use a UMC card. At a minimum, these affidavits call into question Dr. DuPont's results and clearly raise a material issue of fact that should have been resolved by a jury. UMC also offered the testimony of the Assistant Vice-President of a bank that utilized UMC's Universal Money Card who expressed concern that the bank's customers would confuse the AT&T Universal card with UMC,s Universal Money Card.

It is the jury who should weigh the evidence rather than a judge on a summary judgment motion. Anderson v. Liberty Lobby-Inc., 477 U.S. 242, 249 (1986) ("at the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial"). The two cards present significant similarity in both emphasizing the word "Universal." UMC bolstered that evidence with expert testimony, surveys, and anecdotal evidence of actual confusion. This seems to me to be more than sufficient to establish a genuine dispute of material fact going to the issue of likelihood of confusion. I would reverse the granting of summary judgment.

In addition, UMC's repeated requests for discovery should have caused the district court to deny AT&T summary judgment at this stage in the proceedings. The record shows an ongoing attempt by UMC to obtain discovery from AT&T and AT&T's repeated failure to comply with UMC's requests. UMC first sent interrogatories to AT&T requesting the number of open and active AT&T "Universal', accounts and the names and addresses for the accounts within the Kansas City, Kansas and St. Louis, Missouri metropolitan areas. AT&T's refusal to provide the information prompted UMC's motion to compel discovery and impose sanctions against AT&T. Judge O'Connor held that UMC's "geographical designations (were) vague and ambiguous. However, because the requested information is relevant, the court will allow plaintiff to reword these interrogatories and provide the defendants with more specific guidelines." Dist. Ct.

Order at 2, Oct. 17, 19.91. UMC then remedied the "vague geographical designations" and sentto AT&T substantially the same interrogatories requesting the same information, including names and addresses, for all active and open accounts within a specified thirty mile radius in Kansas City, Kansas and St. Louis, Missouri.[1]

AT&T responded first by providing raw numbers of its accounts in the two cities. After UMC filed another Motion to Compel Answers on January 13, 1992, AT&T provided additional numbers for open accounts and cards issued in each city for each month. At no time, however, did AT&T provide the name, address, phone number and original date of card issue for each account. Without this information, UMC could not conduct a survey of AT&T cardholders in the specified areas to determine the likelihood of, or actual confusion caused by, use of the name "Universal." [2]

The majority dismissed this issue, in part, because it did not think that a survey of AT&T cardholders would 'likely produce

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1 UMC requested the following for both cities:

> For each month from March 1990 to the present, list the name, address, phone number and original date of card issue for each person who is a cardholder of a card of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL and whose address is within a 30 mile radius of [812 North 7th Street, Kansas City, Kansas or 1114 Market Street, St. Louis, Missouri], indicating where appropriate whether the card was cancelled or otherwise discontinued during the month;
>
> and
>
> For each month from March 1990 to the present, list the name, address, phone number and original date of card issue for each active and open account for a card of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL which account address is within a 30 mile radius of (812 North 7th Street, Kansas City, Kansas or 1114 Market Street, St. Louis, Missouri], indicating where appropriate whether th account was closed during the month.

Appellant's Supplemental Appendix at 315-17, Interrogatories 24 & 25.

2 AT&T, quite disingenuously, asserts that UMC should have made it and the court aware of UMC's need for additional discovery.

significant evidence of actual confusion because none of these cardholders has attempted to use their cards in UMC ATms." However, this assumes that those who have never used their card at an ATM would not be confused about common sponsorship of the cards and UMC's ATMS; there is no evidence to support such conjecture, especially at the summary judgment stage. The majority's position also assumes that those who have used their cards in an ATM, but have not used them in UMC's ATMS, are necessarily not confused. An equally plausible explanation is that some cardholdersregularly use one or two ATMs that are close to work or home and have not yet been faced with using their AT&T card at an unfamiliar ATM. Of course,- this is all conjecture because AT&T's refusal to comply with UMC's discovery request has precluded UMC from obtaining an answer.

The majority also dismisses UMC,s discovery request because UMC failed to survey the 400 cardholders who did use their cards in UMC's ATMs — cardholders who presumably were most likely to be confused. However, the majority fails to give credence to UMC's reasonable complaint that AT&T had already surveyed these cardholders, and therefore perhaps biased the sample, before AT&T released the names and addresses of the cardholders to UMC. AT&T now argues that UMC should be forced to survey only the same cardholders, despite the court's earlier discovery order. [3]

Moreover, there is evidence that one of UMC's employees did contact sixty-four of those same 400 hundred cardholders and determined that fourteen of them, 22-., were actually confused about the sponsorship of the products. Dr. DuPont claimed to have surveyed 303 of the 400 AT&T cardholders and determined that only 8 of them, 2.6%, were confused. Although UMC's telephone survey may not have conformed to the level of scientific methodology ascribed to Dr. DuPont's survey, it at least raises a question as to the validity of Dr. DuPont's results. Additionally, the UMC results should make us even more reluctant to conclude that UMC's proposed survey

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3 The majority is also quick to accept Dr. DuPont's interpretation of the 2.6% rate of confusion as de minimis; however, we were not apprised of the margin of error for this survey. Therefore, Dr. DuPont's assertion that the rate of confusion is de minimis is, at best, conclusory.

of other cardholders would not evidence confusion.

As the majority correctly notes, UMC should have filed a Rule 56(f) affidavit explaining why it could not present facts to oppose AT&T's summary judgment motion. The affidavit should have also set forth "how additional time [would] enable [it] to rebut [AT&T]'s allegations of no genuine issue of fact." Dreiling v. Peugeot Motors of Am., Inc., 850 F.2d 1373, 1377 (10th Cir. 1988) (quoting Patty Precision v. Brown & Sharpe Mfg. Co.., 742 F.2d 1260, 1264 (10th Cir. 1984)). However, the instant case is distinguishable from Dreiling and Pasternak v. Lear Petroleum Exploration, Inc., 790 F.2d 828 (10th Cir. 1986), because in both those cases the court found that the parties opposing summary judgment did not show how additional time would enable them to rebut the movants' allegations that no genuine issue of fact remained. Additionally, the Pasternak court found that the nonmovant did not "file an affidavit nor did it otherwise specifically notify the district court of the necessity of conducting additional discovery to permit it to oppose summaryjudgment." Pasternak, 790 F.2d at 833. Likewise, in Dreiling, the court noted that the nonmovant requested an immediate trial date and made only general statements about its inability to depose Chrysler's and Peugeot's highest officers.

In the instant case, however, the district court and AT&T knew full well about UMC,s pending motion to compel discovery so that it could obtain the information necessary to conduct its own survey to refute AT&T's evidence that there was little or nc confusion. In fact, on October 17, 1991, the court ordered AT&T to provide UMC the requested information once UMC submitted a geographically specific interrogatory. It was the second motion to compel answers to substantially the same questions, filed on January 13, 1992, that the court held moot as a result of granting AT&T's summary judgment request. Appellant Supplemental Appendix at 321. The discovery issue became moot only because the court never enforced its original order despite its ruling that the information UMC sought was "relevant." Dist. Ct. Order at 2, Oct. 17, 1991. Somehow it seems circular to me to assert that a discovery request is moot because summary judgment has been entered and then also to justify the summary judgment as appropriate because the nonmoving party did not advise the court of the need for more discovery.

Thus, I would hold that despite UMC's failure to file a 56(f) affidavit, the court was adequately informed that UMC needed the requested discovery to conduct a survey to refute AT&T's survey and that summary judgment was therefore improper until after AT&T complied with the discovery requests and UMC had enough time to make use of the information. To do otherwise simply rewards AT&T for its evasive and unresponsive answers to interrogatories that the district court previously decided were "relevant." Dist. Ct. Order, Oct. 17, 1991.

Accordingly, I would reverse.

IN THE UNITED STATES DISTRICT COURT:
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plaintiff,	)	
V.	)	CIVIL ACTION
AMERICAN TELEPHONE & TELEGRAPH CO., Defendant.	)	NO. 90-2201-O

MEMORANDUM AND ORDER

This matter is before the court on defendant American Telephone & Telegraph Co.'s ("AT&T's") motion for summary judgment (Doc. #190). For the reasons set forth below, the motion isgranted.

I. Background-

Plaintiff Universal Money Centers, Inc. ("UMC"), is a Missouri corporation with its principal offices in Shawnee Mission, Kansas. UMC provides electronic banking services and contracts with various financial institutions to issue plastic "debit" cards, similar in appearance to credit cards, which are used for accessing automatic teller machines ("ATM's") and for making retail purchases at selected locations.[1] UMC filed this action against defendant AT&T claiming trademark infringe

1 UMC owns four trademarks registered on The Principal Register of the United States Patent & Trademark office: Reg. No. 1,234,866 issued April 12, 1983, for the mark UNIVERSAL MONEY CARD with the words "Money Card" disclaimed; (2) Reg. No. 1,372,964 issued November 26, 1985, for the mark UNIVERSAL MONEY CENTER with the words "Money Center" disclaimed; (3) Reg. No. 1,372,965 issued November 26, 1985, for the mark UNIVERSAL MONEY & Design with the word "Money" disclaimed; and (4) Reg. No. 1,372,966 issued November 26, 1985, for the mark UNIVERSAL MONEY with the word "Money" disclaimed.

ment [2] and unfair competition as a result of AT&T's use of the term "Universal" to describe its combination telephone and retail credit card. [3]

At the time it filed its complaint, plaintiff UMC also filed a motion for preliminary injunction in which it sought to il enjoin defendant AT&T from using the
term "Universal." After conducting a hearing on August 6-7, 1990, the court, in a written memorandum and order, denied plaintiff's motion for preliminary injunction. see Universal Money Centers, Inc. v. American Telephone & Telegraph Co., No. 90-2201 (D. Kan., August 30, 1990).

Because the material facts have not changed substantially since the time of the court's August 30, 1990 memorandum and order, the court finds it unnecessary to recite in detail the factual background of this case. Rather, the court will rely heavily on the lengthy recitation of facts contained in the previous memorandum and order, and, when necessary, will refer to additional facts developed during discovery.

II. Standards for summary judgement.

A moving party is entitled to summary judgment only when the evidence indicates that no genuine issue of material fact exists. Fed. R. Civ. P. 56(c); Maughan v. SW Servicing, Inc., 758 F.2d 1381, 1387 (10th Cir. 1985). The requirement of a "genuine" issue of fact means that the evidence is such that a reasonable jury could return a verdict for the nonmoving party. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). The moving party has the burden of showing the absence of a genuine issue of material fact ' This burden "may be discharged by 'showing' — that is, pointing out to the district court — that there is an absence of evidence to support the nonmoving party's case." Celotex Corp. v. Catrett, 477 U.S. 317, 325 (1986). "[A] party opposing a properly supported motion for summary judgment may not rest on mere allegations or denials of his pleading, but must set forth specific facts showing that there is a genuine issue for trial." Anderson,

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2 Plaintiff bases its trademark claims on sections- 32(1) (trademark infringement) and 43(a) (false designation of origin) of the Federal Trademark Act, 15 U.S.C. § 1114(1), 1125(a), (Lanham Act).

3 AT&T's card is referred to as the "AT&T Universal Card."

474 U.S. at 256. Thus, the mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment. Id. The court must consider factual inferences tending to show triable issues in the light most favorable to the party opposing the motion. Bee v. Greaves, 744 F.2d 1387, 1396 (10th Cir. 1984), cert. denied, 469 U.S. 1214 (1985).

III. Discussion.

Defendant AT&T moves for summary judgment an four issues: (1) corrective advertising; (2) punitive damages; (3) attorney fees; and (4) likelihood of confusion. Because the fourth issue, likelihood of confusion, is dispositive of this action, the court will review only that issue.

In the previous order, the court concluded that plaintiff's marks were valid and protectable under the Lanham Act. In so doing, the court noted that: (1) the defendant did n contest the validity of plaintiff Is marks; and (2) the defendant did not dispute the f act that the mark "UNIVERSAL MONEY CARD" has become incontestable under 15 U.S.C. § 1065 and 115(b). Having reviewed the evidence presented by both parties, the court finds no reason to depart from those conclusions.[4]

Notwithstanding the fact that plaintiff's marks are valid and protectable, plaintiff must "still show likelihood of confusion 11 as an element of [its] infringement claim[s]." Coherent, Inc. v. Coherent Technologies, Inc., 935 F.2d 1122, 1124 (10th Cir. 1991); see GTE Corp. v. Williams, 904 F.2d 536, 539 (10th Cir. 1990), cert. denied, 111 S.Ct. 557 (1990). Specifically, to prevail on its infringement claims, UMC must prove that AT&T's use of the term "Universal" creates a likelihood of confusion among consumers as to the source of the "AT&T Universal Card." Alternatively, UMC couldprove "reverse confusion," that is, that AT&T's use of the term "Universal" creates a likelihood of

4 Because AT&T has not contested the validity of UMC's marks, the court finds it unnecessary to classify them as fanciful, suggestive, or otherwise. See Beer Nuts Inc. v. Clover Club Foods Co., 711 F.2d 934, 939 (10th Cir. 1983) (Beer Nuts I).

5 This appears to be UMC's strongest argument and the one on which it primarily relies.

confusion among consumers as to the source of UMC's products.[5] See Big 0 Tire Dealers v. Goodyear Tire & Rubber Co., 561 F.2d 1365, 1371-72 (10th Cir. 1977), cert. dismissed, 434 U.S. 1052 (1978).

Although likelihood of confusion is a question of fact, Coherent, 935 F.2d at 1125, "summary judgment is appropriate where there is no genuine dispute about the facts material to the [likelihood of confusion] analysis, and those facts could lead to only one reasonable conclusion." Lang v. Retirement Living Publishing Co., Inc., 759 F. Supp. 134, 137 (S.D.N.Y. 1991) (Lang I) , aff'd, 949 F.2d 576, 582 (2d Cir. 1991) ; see 'also Boston Athletic Ass' n. v. Sullivan, 867 F. 2d 22, 24 (1st Cir. 1989) ; Warner Bros. v. American Broadcasting Cos. , 720 F.2d 231, 246 (2d Cir. 1983).

The resolution of the likelihood of confusion issue il requires the consideration of the following factors:

(a) the degree of similarity between the designation and the trade-mark or trade name in
  (i) appearance;
  (ii) pronunciation of the words used;
  (iii) verbal translation of pictures or designs in volved;
  (iv) suggestion;

(b) the intent of the actor in adopting the designation;

(c) the relation in use and manner of marketing between the goods or services marketed by the actor and those marketed by the other;

(d) the degree of care likely to be exercised by purchas ers.

Beer Nuts, Inc. v. Clover Club Foods Co., 805 F.2d 920,925 (10th Cir. 1986) (Beer Nuts II). These factors are not exhaustive; the facts of a particular case may require consideration of other additional variables. Id.

A. Similarity of the marks.

The similarity of the marks is tested on three levels as encountered in the marketplace: sight, sound and meaning. Beer Nuts i, 711 F.2d at 940. In considering the characteristics of the marks, similarities weigh more heavily than differences. Id. Further, in evaluating similarity, the court must not engage in a side-by-side comparison. Id. at 941. Rather, "the court must determine whether the alleged infringing mark will be confusing to ,the public when singly presented." Id.

In the memorandum and order denying plaintiff Is motion for preliminary injunction, the court made the following findings:
The court finds that the degree of similarity between UMC's registered trademarks and the mark "AT&T Universal Card" is minimal. First, although both the AT&T and the UMC marks use the word "universal," the court believes that the dominant portion of each mark is different. Specifically, the court finds that the dominant portion in each of the UMC marks is the word "UNIVERSAL." In contrast, the court finds that the dominant portion of AT&T's mark is the term "AT&T." Second, the marks have different sounds and cadences. Third, the court notes that there are significant differences in the overall design of the two cards, including the lettering styles, logos, and color schemes. Moreover, a significant number of the cards issued by UMC display the name of an affiliate bank on the front of the card, thus further differentiating such cards from the "AT&T Universal card." Finally, although there was no evidence presented on this matter, the court does not believe that the two marks convey the same idea or stimulate the same mental reaction. Standard Oil Co. v. Standard OilCo., 252 F.2d 65, 74 (10th Cir. 1958).

Universal Money, No. 90-2201 (D. Kan., August 30, 1990).

Viewing the evidence in the light most favorable to the plaintiff, the court finds no reason to depart from its previous findings concerning the similarity of the marks. In short, the court finds that reasonable jurors could only conclude that the degree of similarity between the two marks is minimal and that there is little chance that consumers will confuse the marks.

B. Intent of AT&T in adopting the term "Universal."

In Beer Nuts I, the Tenth Circuit discussed at length the

"intent" factor:

> "Intent on the part of the alleged infringer to pass of f its goods as the product of another raises an inference of likeli hood of confusion to (citations omitted). "[P]roof that a defendant chose a mark with the intent of copying plaintiff's mark, standing alone, may justify an inference of confusing similarity." (citation omitted). one who adopts a mark similar to another already established in the marketplace does so at his peril, (citation omitted) , because the court presumes that he "can accomplish his purpose: that is, that the public will be deceive d." (Citations omitted.) All doubts must be resolved against him. (Citation omitted.)

711 F.2d at 941.

Here, the record is void of any evidence indicating that AT&T chose the term "Universal" with the intent of copying UMC's marks or confusing the public as to the sponsorship or affiliation of its card. Rather, the evidence indicates that AT&T chose the term solely because of its meaning and the positive response it received in research AT&T conducted with its own customers. Accordingly, the court finds no genuine issues of fact with respect to the "intent" factor.

C. Similarity of the products.

Another relevant factor to be considered in determiningwhether there is a likelihood of confusion is the similarity between the two products. Exxon Corp. v. Texas Motor Exchange of Houston, 628 F.2d 500, 505 (5th Cir. 1980) "The greater the similarity between the products and services, the greater the likelihood of confusion." Id.

In denying plaintiff's motion for preliminary injunction, the court made the following findings concerning the similarity of the parties' products:

> Although the services embodied in the UMC and AT&T cards are similar in certain respects, the court finds that the primary purpose of each card is different. Although the UMC card does allow cardholders to make retail debit purchases at

> limited locations through the BankMate network, the court believes that the primary purpose of the Umc card is to allow cardholders to access cash from ATM'S. In contrast, the court finds that the primary purpose of the AT&T card is to allow cardholders to charge, on credit, long-distance tele phone calls and goods and services. Only as an additional cardholder benefit, does the AT&T card provide ATM access through the "Plus" or VISA" networks. Accordingly, the court concludes that the cards are not directly competitive.

Universal Money, No. 90-2201 (D. Kan., August 30, 1990).

As with the factors already discussed, UMC has failed to come forward with any evidence which would persuade the court that its earlier conclusions were erroneous. Although UMC contends that it will soon be offering some form of "Mastercard," such evidence is irrelevant to the inquiry at hand. Specifically, "the intent of the prior user to expand or its activities in preparation to do so, unless known by prospective purchasers, does not affect the likelihood of confusion." Lang v. Retirement Living Publishing Co. . Inc., 949 F.2d 576, 582 (2d Cir. 1991) (quoting of Unfair Competition § 21 reporter's note at 210 (Tent. Draft No. 2, 1990)) (Lang II). UMC also contends that American Express, a competitor to AT&T, "offers a plastic card which does access bank accounts." However, evidence concerning the products of AT&T's competitors is clearly irrelevant to the question of whether the two products at issue are similar. Finally, UMC contends that the two cards "accomplish the same results" because they both allow consumers to "obtain cash from ATM machines" and "purchase goods and services at the point of sale." The flaw in this argument, the court believes, is that it ignores the critical distinction between the cards: the AT&T card allows consumers to purchase items on credit while the UMC card allows consumers to make deductions directly from their own bank accounts.UMC has offered no evidence which would indicate that consumers are unaware of or indifferent to this distinction.

After reviewing the evidence presented by the parties, the court finds that no genuine issues of fact exist as to the degree of the products, similarity. Specifically, the court finds that reasonable jurors could conclude only that the products are substantially different.

D. Relation in manner of marketing of the products.

In the previous memorandum and order, the court discussed the means by which the two cards are marketed. In pertinent part, the court reached the following conclusions:

> The court finds that the UMC card and the AT&T card reach the public through significantly different channels. The evidence submitted by the plaintiff indicates that the UMC card is only distributed to persons who have accounts at financial institutions who are affiliated with UMC. Accord ingly, to obtain a UMC card, a person must have an account at an affiliate financial institution. The AT&T card, on the other hand, is a "stand-alone" credit card that is distributed to the general public. The court thus concludes that the market ing differences help preclude customer confusion.

Universal Money No. 90-2201 (D. Kan., August 30, 1990).

Again, in responding to the instant motion, UMC has failed to present any evidence which would persuade the court that there is similarity between the methods used to market the two card's. AT&T markets its card, through a variety of media sources, directly to the public. In contrast, UMC markets its services primarily to financial institutions who, in turn, market debit cards to their own account-holders.[6] In short, UMC's true customers are the financial institutions who utilize UMC's services, rather than the individual cardholders. For these reasons, the court finds no genuine issue of material fact as to the similarity in marketing of the two cards.

E. Degree of care exercised by consumers.

As the court noted in its previous order, "the degree of care likely to be exercised by purchasers" must be considered in determining the likelihood of confusion. Beer Nuts II, 805 F.2d at 925. inexpensive items which are purchased on impulse or with little care are more likely to be confused than expensive items which are chosen

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6 Even if a member of the public wanted to obtain a UMC card after seeing a UMC advertisement, he or she would be unable to do so unless his or her bank had contracted with UMC. In contrast., members of the public can obtain an AT&T card directly from AT&T.

carefully. Beer Nuts I, 711 F.2d at 941.

In denying plaintiff's motion for preliminary injunction, the court made the following findings:

> The court finds that the products involved in this case are items which are chosen with at least moderate care by the ordinary purchaser. See Omaha National Bank v. Citibank (South Dakota), N.A., 633 F. Supp. 231, 235-36 (D. Neb. 1986) (holding that consumers choosing between providers of ATM access cards exercise a relatively high degree of care). Although neither party produced significant evidence on this point, the court believes that, unlike a product which can be purchased on impulse, the UMC card and the AT&T card can only be obtained through a certain amount of effort on the part of consumers. Moreover, the court believes that the average consumer will, at a minimum, read the promotional materials provided by UMC and AT&T before deciding to request one of the cards. Accordingly, the court believes that the average consumer will be aware of the services embodied in whichever card he or she chooses and will be aware of the source of the card.

Universal Money, No. 90-2201 (D. Kan., August 30, 1990).

In its motion for summary judgment, AT&T has offered cardholder affidavits which indicate that consumers do, in fact, exercise a high degree of care in choosing a credit card or ATM card. In response, UMC has offered no evidence and simply asserts that AT&T is "asking the Court to usurp the function of the jury with respect to assessing the degree of care which consumers may use in selecting credit cards."[7] Clearly, UMC's response fails to "set forth specific facts showing that there is a genuine issue for trial."

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7 As noted by AT&T, UMC repeatedly makes this assertion in its response to the motion for summary judgment.

Anderson, 474 U.S. at 256. Accordingly, the court finds notriable issues of fact concerning the degree of care exercised by consumers.

F. Actual confusion.

In support of its motion for summary judgment, AT&T has offered affidavits, depositions, and survey results which indicate that there is little, if any, actual consumer confusion concerning the source of the two cards at issue.[8] In response, UMC has offered little but allegations and denials. Although UMC alleges that it has identified "at least 400 AT&T cardholders who used the UMC network from April through December, 1990 as a result of some type of confusion," it has offered no consumer affidavits or depositions to support its allegation. Instead, UMC has submitted affidavits from UMC employees who claim to be aware of certain AT&T cardholders who were actually confused. The court finds such evidence less than persuasive in light of the ample time UMC has had to obtain consumer affidavits or survey results.[9]

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8 In particular, AT&T has offered consumer survey results which indicate that it is extremely unlikely that consumers will make any connection between the two cards at issue.

9 The lack of consumer affidavits is particularly striking in light of the fact that UMC has clearly attempted to contact AT&T cardholders and obtain "statements." In support of its reply brief., AT&T has submitted a copy of a letter and form which UMC sent to AT&T cardholders who had attempted to use their cards in UMC ATM'S. The forms, which UMC asked the cardholders to sign, stated as follows:

To Whom It May Concern:

I have used my AT&T Universal Card ina Universal Money ATM machine and my requested transaction was rejected.

At the time I attempted the said transaction, I believed that my AT&T Universal Card would work in the Universal Money ATM because the name "UNIVERSAL" appeared both on my card and the involved ATM machine.

Signed:_____

Date::_____

As noted by AT&T, UMC has not offered a single signed copy of this form.

Further, although UMC alleges that it has had difficulty obtaining the names of AT&T cardholders, it has clearly had access to its own financial institution customers and their corresponding cardholders. Nonetheless, the record is absent of any information from these sources. Surely, after nearly two years of discovery, UMC would have produced evidence of actual confusion from its own customers if any had existed. See NEC Electronics v. New England Circuit Sales, 722 F. Supp. 861, 866 (D. Mass. 1989).

In conclusion, the court finds that UMC has failed to come forward with evidence indicating a triable issue of fact on the issue of actual consumer confusion. Although UMC is certainly not I obligated to demonstrate actual confusion, the lack of substantial evidence on this issue is one of many f actors that suggest that plaintiff's claims are without merit. Id.

G. Strength of the mark.

Although not specifically mentioned in Beer Nuts II, the court also finds it appropriate to briefly review the relative strength of UMC' s marks - [10] "A strong trademark is one that is rarely used by parties other than the owner of the trademark, while a weak trademark is one that is often used by other parties." Exxon, 628 F.2d at 504. Here, UMC has clearly used its marks for a substantial period of time. Nonetheless, the evidence produced by AT&T and uncontroverted by UMC indicates that the term "Universal" is widely used by parties other than UMC. In particular, the term is in use by approximately six financial institutions throughout the country who have used the term on their own ATM cards. The term is also in use by two credit card companies ("Universal Gold Card" and "Universal Premiere Card") who have issued approximately 240,000 credit cards displaying the term. Further, Dun & Bradstreet shows over 200 active businesses employing the term. In short, the term is used by a significant number of entities and is thus a relatively weak mark. id.

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10 Once again, the court makes no attempt to categorize UMC's marks as fanciful, suggestive, etc.

H. Summary.

Nearly two years have passed since the court entertained plaintiff's motion for a preliminary injunction. Notwithstanding a lengthy course of discovery, plaintiff has produced little, if any, substantial evidence on the issue of likelihood of confusion. Instead, plaintiff relies on allegations and its often-repeated argument that the court, by reviewing the above-listed factors, will "usurp the function of the jury." The court finds UMC's allegations without merit. Simply put, the court does not "Usurp the function of the jury" by granting summary judgment where, as here, the nonmoving party fails to set forth specific facts
showing that there is a genuine issue for trial. Viewing the evidence in the light most favorable to UMC, the court finds that no reasonable juror could conclude that UMC has established its federal or state claims. [11] Defendant AT&T is therefore entitled to summary judgment on each of plaintiff's claims.

IV. Other pending motions.

Also pending at this time are defendant's motion to strike jury demand and plaintiff's motion to compel. Because defendant is entitled to summary judgment on each of plaintiff's claims, the court will deny these remaining motions as moot.

IT IS THEREFORE ORDERED that defendant American Telephone_ & Telegraph co.'s motion for summary judgment (Doc. #190) is
granted.

IT IS FURTHER ORDERED that defendant American Telephone & Telegraph Co.'s motion to strike jury demand (Doc. #189) is denied as moot.

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11 In light of the court's findings with respect to plaintiff's infringement and false designation claims, the court finds that plaintiff has failed to demonstrate genuine issues of material fact with respect to its state law unfair competition claim. See Polo Fashions, Inc. v. Dieboit, inc., 634 F. Supp. 786, 790 (D. Kan. 1986).

IT IS FURTHER ORDERED that plaintiff Universal Money Centers, Inc.'s motion to compel (Doc. #207) is denied as moot.
Dated this 16th day of June, 1992, at Kansas City, Kansas.

/s/ Earl E. O'Connor
EARL E. O'CONNOR
United States District Judge

D-1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plaintiff,	)	
	)	Civil Action No.
v.	)	
	)	92-2201-O
AMERICAN TELEPHONE & TELEGRAPH, CO., and UNIVERAL BANK, Defendants.	)	

PLAINTIFF'S MOTION TO COMPEL ANSWERS TO REWORD INTERROGATORIES NOS. 22-25 AND FOR APPLICATION OF SANCTIONS AGAINST DEFENDANTS FOR FAILURE TO COMPLY WITH COURT ORDER

Comes now Plaintiff UNIVERSAL MONEY CENTERS, INC., and pursuant to Fed. R. Civ. P. 37 (a) (2" and 37 (b) , moves for an order: 1) Compelling Defendants AT&T and UNIVERSAL BANK to fully respond to Plaintiff's Reworded Interrogatory Nos. 22-25, since Defendants' previously filed responses to said interrogatories were evqasive and incomplete; and 2) Imposing sanctions against Defendats on the ground that Defendants have refused and still willfully refuse to comply with the Order of this Court, dated October 17 1991, issued by Chief Judge Earl E. O'Connor, that Defendants answer Plaintiff's Motion to Compel Responses to Interrogatories and Suggestions in Support filed August 28, 1991. Plaintiff's above-referenced Motion to Compel Responses to Interrogatories and Suggestions in Support is attached hereto as Exhibit A. Judge O'Connor's Order of October 17, 1991 is attached hereto as Exhibit B. Attached Exhibit C is a copy of Plaintiff's Reworded Interrogatory Nos. 22-25 while Exhibit D is a copy of Defendants' Responses to said reworded interrogatories of Plaintiff.

In explanation of the current circumstances surrounding the

Plaintiff's Motion, specifically, in Interrogatory Nos. 22 and 23, Plaintiff asked for the total nubmer of active nad unexpired cards bearing the name UNIVERSAL for each month and the total number of active and open accounts for each month. Defendants responded by provioding, without any explanation, raw nubmers which appear to be the nubmer of cardholders and acocunts, respectively, issued or openbed during the month indicated. Thus, the answers provided byu Defendants is totally meaningless since the Plaintiff cannot ascertain the nyumber of cards or acocunts which were cancelled or closed during the month indicated.

In Interrogatory Nos. 24 and 25, the Plaintiff asked fo rhte name, anddress, phone number and original date of card issue corresponding to the specific accounts which are (or should have been) given in response to Interrogatory Nos. 22 and 23. The Defendatns made no respnose to Interrogatory Nos. 24 and 25 even though Judge O'Connor, in his above-referenced Order, has specifically ordered them to do so. due to the Defendants' continuing willful refusal ot comply with Judge O'Connor's Order, the Plaintiff requests that htis Court issue and Order adjudging Defendants in contempt of this Court and further, to apply such sanctions agains Defendants as may be appropriate.

WHEREFORE, Plaintiff UNIVERSAL MONEY CENTERS, INC., pursuant to Fed. R. Civ. p. rule 37, moves that the Court enter an Order compelling Defendants At&T and UNIVERAL BANK to provide compleete responses to Plaintiff's Reworded Interrogatory Nos. 22-25 and further, that the Court impose such sanctions against Defendants as seem just under the present circumstances and for the Plaintiff's reasonable expensdes, including attorney's fees, incurred in connection with this Motion, said expenses to be assessed against the Defendants or the attorney(s) advising them or both.

Respectfully submitted,

/s/ Joseph B. Bowman

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Attorney for Plaiintiff

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing PLAINTIFF'S MOTION TO COMPEL ANSWERS TO RE-WORDED INTERROGATORIES NOS. 22-25 AND FOR APPLICATION OF SANCTIONS AGAINST DEFENDANTS FOR FAILURE TO COMPLY WITH COURT ORDER was mailed, first class U.S. mail, postage prepaid, this 13th day of January, 1992, to the following attorneys for Defendants:

Kirk T. May
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Attorney for Plaintiff

D-5

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY-CENTERS, INC. Plaintiff,	)	
V.	)	
	)	Civil Action No. 90-2201-0
AMERICAN TELEPHONE & TELEGRAPH CO., and UNIVERSAL BANK, Defendants.	)	

PLAINTIFF'S MOTION TO COMPEL RESPONSES TO INTERROGATORIES AND SUGGESTIONS IN SUPPORT

Introduction

Pursuant to Fed. R. Civ. P. 37(a)(2), Plainti.-Lf moves for an order comzelling Defendants AT&T and Universal Bank to fullv respend to Plaintiff Is Interrogatories Nos. 21, 22, 23, 24, 25, and 27. A copy of the interrogatories and Defendant's response is attached hereto as Exhibit A. A certificate of compliance as required under D. Kansas Rule 210(j) is attached hereto as Exhibit B.

Plaintiff Is interrogatories 21 - 25 request-information about the active and unexpired cards of AT&T and Universal Bank that bear the name UNIVERSAL or AT&T UNIVERSAL. Interrogatories 22 - 25 specifically requesk-information about those cards held by cardholders in the "Kansas City metropolitan area" and the "St. Louis metropolitan area". Defendant responded with objections, for the reasons that (1) this information could be obtained from the AT&T cardholder database that Defendants have been ordered to produce, thus the burden of obtaining this information will be the same on both parties, and (2) the terms "Kansas City metropolitan area,, and list. Louis metropolitan area" are vague and undefined such that Defendants cannot know what information is being re-

quested and therefore cannot answer.

Plaintiff disagrees and believes the interrogatories are not objectionable. Firstly, the information requested by Plaintiff is easily accessible to Defendant as it is information kept in Defendants' normal course of business. Defendant suggests that since the information requested "can be obtained" from the AT&T cardholder database which will be provided to Plaintiff, the burden of accessing that specific information from the database would be the same for both parties. Clearly, since Defendants utilize this database in its normal course of business, it would be much easier for Defendant to access the desired information in readable, complete and concise form than for Plaintiff. To suggest that it is just as easy for someone unfamiliar with the structure and organization of a database to access particularly defined information, as it is for those operating and utilizing the database on a daily basis is ludicrous.

Defendants further object to interrogatories 22-25 because they do not understand the terms "Kansas City metropolitan area" and "St. Louis metropolitan area". It is more than readily apparent from these interrogatories that Plaintiff requests information about card holders living in the Kansas City and St. Louis areas. Plaintiff does not know the exact boundaries which Defendants have set to geographically classify their cardholders, but would like the information about cardholders which Defendant has listed within the geographical location of the metropolitan St. Louis and Kansas City areas. Plaintiff believes that these interrogatories are clear and that they are not vague. To resolve any doubts, Defendant could supply with its responses, the area which is encompassed by the information provided.

Interrogatory No. 27 requests information about the use of the phrase ONE WORLD ONE CARD in connection with Defendant's UNIVERSAL or AT&T UNIVERSAL card. The Defendants object to this interrogatory with a laundry list of reasons including privilege, work product, inadmissible evidence and information not likely to lead to the discovery of admissible evidence. The burden is on the objecting party, Defendants AT&T and Universal Bank, to show why discovery is improper. Smith v. MCI Telecommunications Corp., Civ. No. 87-2110-0, 1991 U.S. Dist. LEXIS 7791 (D. Kan. 1991) (copy appended hereto as Exhibit C, see page 4 of copy). Defendants'

assertions in objecting is merely a laundry list of insufficient specificity to overcome Def endants burden. "An objection to an interrogatory must be specific and must be supported by a detailed explanation of w hy the interrogatory is objectionable." Mannell v. Kawasaki Motors Corp., Case No. 89-4258-R, 1991 WL 34214 (D. Kan-1991) (Exhibit D, see page 2 of copy). Absolutely no basis for asserting privilege or work product has been provided.

With regard to Defendant's contention that Plaintiff's request is for inadmissible information, this objection has no merit under the law. It is well settled that relevancy, not admissibility, is the test for discovery. 8 Wright & Miller, Federal Practice and Procedure, Section 2008, at 41 (1970).

> Relevancy is broadly construed at the discovery stage of the litigation and request for discovery should be considered relevant if there is any possibility the information sought may be relevant to the subject matter of the action. Smith v. MCI Telecommunications Corp., Civ. Action No. 87-2110-0, 1991 U.S. Dist LEXIS 7791 (D. Kansas 1991) (Exhibit C, see page 4 of copy).

Defendants have made no assertions as to the irrelevance of the information sought.

WHEREFORE, Plaintiff Universal Money Centers, Inc. requests that the Court order Defendants AT&T and Universal Bank to provide complete responses to Plaintiff's Interrogatories Nos. 21 - 25 and 27.

Respectfully submitted,

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and

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plaintiff,	)	
	)	Civil Action No. 90-2201-0
V.	)	
AMERICAN TELEPHONE & TELEGRAPH CO., and UNIVERSAL BANK, Defendants	)	

PLAINTIFF'S REWORDED INTERROGATORY NOS. 22-25
TO AT&T AND UNIVERSAL BANK

Comes now Plaintiff UNIVERSAL MONEY CENTERS, INC. and, pursuant to the Court's Order dated October 17, 1991, propounds the following reworded interrogatories to Def endants AT&T and UNIVERSAL BANK, to be answered in writing and under oath in accordance with Rule 33 of the Federal Rules of Civil Procedure.

The following general statements pertain to all answers to be made to the following interrogatories:

(A) The term "person" or "persons" as used in these interrogatories includes, without limitation, any individual, association, partnership, corporation, firm or organization.

(B) Where an interrogatory requests the identificationof a person or persons, state the full name, present address (or if unknown, the last known address), the present employer (or if unknown, the last known employer) of such person or persons, and any titles enjoyed by the person.

(C) The term "Defendant" as used herein includes the named defendant, and any parent, division, subsidiary, department or other organization in which Defendant has controlling interest or which has controlling interest in Defendant.

The reworded interrogatories are as follows:

Interrogatory No. 22

For each month from March 1990 to the present, indicate

(a) the total number of active and unexpired cards of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL which were held by cardholders within a 30 mile radius of 812 North 7th Street, Kansas City, Kansas.

(b) the total number of active and open accounts for cards of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL held by cardholders the address for whom is within a 30 mile radius of 812 North 7th Street, Kansas City, Kansas.

Answer

Interrogatory No. 23.

For each month from March 1990 to the present, indicate

(a) the total number of active and unexpired cards of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL which were held by cardholders within a 30 mile radius of 1114 Market Street, St. Louis, Missouri.

(b) the total number of active and open accounts for cards of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL held by cardholders the address for whom is within a 30 mile radius of 1114 Market Street, St. Louis, Missouri.

Answer

Interrogatory No. 24.

For each month from March 1990 to the present, list the name, address, phone number and original date of card issue for

(a) each person who is a cardholder of a card of AT&T or

Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL and whose address is within a 30 mile radius of 812 North 7th Street, Kansas City, Kansas, indicating where appropriate whether the card was cancelled or otherwise discontinued during the month;

(b) each person who is a cardholder of a card of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL and whose address is within a 30 mile radius of 1114 Market Street, St. Louis, Missouri, indicating where appropriate whether the cardwas cancelled or otherwise discontinued during the month.

Answer

Interrogatory No. 25.

For each month from March 1990 to the present, list the name, address, phone number and original date of card issue for

(a) each active and open account for a card of AT&T or Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL which account address is within a 30 mile radius of 812 North 7th Street, Kansas City, Kansas, indicating where appropriate whether the account was closed during the month.

(b) each active and open account for a card of AT&T Universal Bank bearing the name UNIVERSAL or AT&T UNIVERSAL which account address is within a 30 mile radius of 1114 Market Street, St. Louis, Missouri, indicating where appropriate whether the account was closed during the month.

Answer

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Attorneys for Plaintiff

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing PLAINTIFF'S REWORDED INTERROGATORY NOS. 22-25 TO AT&T AND UNIVERSAL BANK was mailed first class U.S. mail, postage prepaid, this 22nd day of October, 1991, to the following attorneys for Defendant:

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Attorney for Plaintiff

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plaintiff,	)	
	)	Civil Action No.
v.	)	
	)	90-2201-0
AMERICAN TELEPHONE & TELEGRAPH CO., and UNIVERSAL BANK, Defendants.	)	

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of

PLAINTIFF'S REWORDED INTERROGATORY NOS. 22-25 TO AT&T AND UNIVERSAL BANK

was mailed first class U.S. mail, postage prepaid 22nd day of October, 1991, to the following attorneys for Def endants: Kirk T. May, Patrick J. Stueve, Stinson, Mag & Fizzell, 1201 Walnut Street, P.O. Box 419251, Kansas City, Missouri 64141-6251.

/s/ Joseph B. Bowman

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ATTORNEYS FOR PLAINTIFF

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plantiff,	)	Civil Action No.
	)	90-2201-O
AMERICAN TELEPHONE & TELEGRAPH CO., and UNIVERSAL BANK, Defendants.	)	

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of

PLAINTIFF'S REWORDED INTERROGATORY NOS. 22-25 TO AT&T AND UNIVERSAL BANK

was mailed first class U.S. mail, postage prepaid 22nd day of October, 1991, to the following attorneys for Defendants: Kirk T. May, Patrick J. Stueve, Stinson, Mag & Fizzell, 1201 WalnutStreet, P.O. Box 419251, Kansas city, Missouri 64141-6251.

/s/ Joseph B. Bowman

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plaintiff,	)	
	)	CIVIL ACTION
V.	)	
	)	NO. 90-2201-0
AMERICAN TELEPHONE & TELEGRAPH CO., Defendant.	)	

MEMORANDUM AND ORDER

This matter is bef ore the court on several discoveryrelated motions filed by the plaintiff. Having reviewed the motions, the court is now prepared to rule.

1. Plaintiff's motion for protective order (Doc. #160). The court finds this motion, which requests the court to stay two scheduled depositions, moot because the deadline for the taking of depositions has passed without a response from defendants.

2. Plaintiff's motion to compel production of documents (Doc. #165). Plaintiff requests the court to direct defendants to produce documents requested in plaintiff's discovery request no. 39. The request, which seeks documents relating to rights in the phrase "ONE WORLD ONE CARD, " has been objected to by defendants on several grounds. Upon review, the court finds that plaintiff has failed to set f orth a specif ic need f or the requested inf ormation or even suggest how the requested inf ormation would lead to the discovery of admissible evidence. Accordingly, the court will deny plaintiff's motion.

3. Plaintiff's motion to compel responses to interrogatories (Doc. #166). In this motion, plaintif f asks thecourt to compel the defendants to respond to six specific interrogatories. In a response filed on September 16, 1991, defendant agreed to produce the numerical data requested by plaintiff in interrogatory no. 21. The motion to compel is therefore moot with respect to this interrogatory.

With respect to interrogatories no. 22-25, the court finds that plaintiff's geographical designations are vague and ambiguous. However, because the requested information is relevant, the court will allow plaintiff to reword these interrogatories and provide the defendants with more specific guidelines. Plaintiff shall have ten (10) days from the date of this order in which to submit the reworded interrogatories to the defendants. Finally, the court will deny plaintiff Is motion with respect to interrogatory no. 27, which seeks information concerning the phrase "ONE WORLD ONE CARD."

IT IS THEREFORE ORDERED that plaintiff's motion for protective order (Doc. #160) is denied as moot.

IT IS FURTHER ORDERED that plaintiff's motion to compel mproduction of documents (Doc. #165) is denied.

IT IS FURTHER ORDERED that plaintiff's motion to compel responses to interrogatories (Doc. #166) is granted in part and denied in part.

Dated this 17th day of October, 1991, at Kansas City, Kansas.

/s/ Earl E. O'Connor
EARL E. O'CONNOR, Chief Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNIVERSAL MONEY CENTERS, INC., Plaintiff,	)	
	)	CIVIL ACTION NO.
V.	)	90-2201-0
AMERICAN TELEPHONE & TELEGRAPH CO., Defendant.	)	

MEMORANDUM AND ORDER

This matter is before the court oh plaintiff's motion for a preliminary injunction. Plaintiff Universal Money Centers, Inc., filed this action against defendant American Telephone & Telegraph Co. claiming trademark infringement and unfair competition. Plaintiff seeks to enjoin defendant from,using the term"Universal" to describe its combination telephone and retail credit card. A hearing was held on the matter on August 6 and 7, 1990, and the parties have submitted proposed findings of fact and conclusions of law. Having reviewed the record, the court is now prepared to rule.

Preliminary Matters - Admissibility of Certain Evidence

During the hearing, defendant attempted to introduce several items of evidence which were objected to by the plaintiff. The court has now reviewed the parties' arguments with respect to each item and makes the following rulings with respect to admissibility:

1. Exhibit 443. InclUded in this exhibit are four articles pertaining to ex-employees of the plaintiff.
The court f inds that these items have little relevancy to the issues involved in this matter and are thus inadmissible. Fed R. Evid. 402.

2. Exhibits 481, 486, and 495. Plaintiff objects, on the basis of relevance, to these three items of evidence which contain references to third-party uses of the term "Universal." Although the cases cited by plaintiff are applicable with respect to the scope and effect to be given such evidence, the court finds that third-party usage evidence is frequently offered and admitted in trademark infringement cases. Accordingly, the items are deemed relevant and will be admitted.

3. Exhibits 496 and 500. Included in these exhibits are four third-party plastic credit cards and three photocopies of third-party plastic credit cards. Defendant asserts, and the court agrees, that these items are selfauthenticating pursuant to Fed. R. Evid. 902(7). Although the court has found little case law discussing Rule 902(7), the court believes that the rule is properly applied here because each card displays a label or inscription indicating its origin. However,, the court notes that defendant has offered no evidence indicating the number of holders of each card or the geographic region covered by each card. Further, there is no evidence indicating whether or not these cards are currently in use. Accordingly, the court finds that this evidence has little probative value.

Defendant has also filed a motion to strike the testimony of plaintiff Is rebuttal witness Harvey Perlman. In support of its motion,, defendant argues that: (1) plaintiff did not identify Perlman during discovery; (2) Perlman did not offer rebuttal testimony; and (3) Perlman's testimony does not qualify as expert testimony under Fed. R. Evid. 702-704. Although the court finds some merit to defendant's arguments, the court will allow Perlman's testimony to stand and will consider those portions ofhis testimony that were offered in true rebuttal of defense evidence. However, the court will not consider any opinions offered by Periman concerning the ultimate issues in this case.

Findings of Fact

1. Plaintiff Universal Money Centers, Inc., (hereinafter UMC or plaintiff) is a Missouri corporation having its principal offices in Shawnee Mission, Kansas.

2. UMC owns four trademarks registered on The Principal Register of the United States Patent & Trademark Office: (1) Reg. No. 1,234,866 issued April 12, 1983, for the mark UNIVERSAL MONEY CARD with the words "Money Card" disclaimed; (2) Reg. No. 1,372,964 issued November 26, 1985, for the mark UNIVERSAL MONEY CENTER with the words "Money Center" disclaimed; (3) Reg. No. 1,372,965 issued November 26, 1985, for the mark UNIVERSAL MONEY & Design with the word "Money" disclaimed; and (4) Reg. No. 1,372,966 issued November 26, 1985, for the mark UNIVERSAL MONEY with the word "Money", disclaimed.

3. The mark "UNIVERSAL MONEY CARD", Reg. No. 1,234,866, has become incontestable pursuant to 15 U.S.C. S 1065.

4. UMC has been engaged in the business of providing financial services since 1981. Specifically, UMC provides electronic banking services and contracts with various financial institutions to issue plastic "debit" cards, similar in appearance to credit cards,, which are used for accessing automatic teller machines ("ATM'sll) and for making retail purchases at selected locations.

5. Customers holding cards issued by UMC may use the cards in ATM's owned and operated by UMC or in ATM I s owned by others with whom UMC has an association or affiliation through an electronic funds transfer network. Alternatively, customers holding cards issued by UMC's affiliate organizations may use their cards in any of UMC's automatic teller machines.

6. UMC has issued approximately 160,000 of its electronic banking cards, which are currently in use in all states (except Alaska) and the District of Columbia. Cards issued by other organizations and financial institutions with whom UMC is affiliated are estimated to exceed 210 million.

7. Of the cards actually issued by UMC, over half display the "UNIVERSAL MONEY" mark on the front. The remain-

der of the UMC cards display the name of an affiliate bank on the front,, and display the "UNIVERSAL MONEY" mark on the back of the card.

8. UMC has spent approximately $500,000 in advertising and promoting its electronic banking services in the United States. UMC,s trademarks have also been advertised nationally and. internationally through cooperative efforts with affiliate organizations. such as American Express, Discover, Cirrus and BankMate.

9. UMC customarily uses its trademarks on its electronic banking cards, on printed material accompanying the cards when mailed, on ATM receipts, on signs displayed at banks and business establishments accepting UMC's cards, and on the ATM machines themselves.

10. UMC handles approximately 15,000 ATM transactions perday. Since 1981, UMC cardholders have engaged in over 13 million financial transactions totalling 300 million dollars.

11. Defendant American Telephone & Telegraph Co. (hereinafter AT&T or defendant) is a New York corporation having its principal place of business in the city of New York.

12. On March 26, 1990, AT&T introduced a new combination telephone and retail credit card (hereinafter credit card). The credit card is marketed under the name "AT&T Universal Card" and is affiliated with VISA and MasterCard.

13. During the development process for its card, AT&T considered a number of possible card names and utilized a variety of methods to develop possible names, including brainstorming sessions and conducting an employee "Name Game".

14. After conducting consumer reaction studies on several of the names and after conducting trademark searches, AT&T selected the name "Universal" to be used on the card in connection with the "AT&Tll symbol. Paul Kahn, the president of AT&T Universal Card Services, stated that the term "Universal" was selected because of its "generic" qualities. Kahn further stated that it was his intent for the "AT&Tll symbol to be the primary symbol on the card.

15. Since March 26, 1990, AT&T has extensively advertised, marketed and sold its credit card. The credit card was introduced on television during the Academy Awards ceremonies and has been advertised in print media, including national newspapers and

magazines, by means of direct mail, and through telemarketing campaigns.

16. To date, AT&T has spent over 31 million dollars in advertising and promoting the "AT&T Universal Card".

17. To date, AT&T has approximately 4 million cardholders.

18. Although AT&T's credit cards can be used to access cash at ATM's displaying the "Plus" or I'VISAII logos, they cannot be used in any of the ATM's operated by UMC because AT&T and UMC.are not affiliated.

19. UMC employees testified that there have been approximately 100 instances in which "AT&T Universal Card" holders have attempted to use their cards in ATM's operated by UMC. Of these 100 instances, UMC employees testified that approximately ten instances involved actual customer confusion. However, the only evidence offered by plaintiff to support its employee testimony is the deposition testimony of one consumer, Richard Fjellman, who was identified as attempting to use an "AT&T Universal Card" in a UMC ATM.

20. UMC employee Dave Windhorst testified that, according to his calculations, holders of "AT&T Universal Cards" are attempting to use their cards in UMC ATM's at a rate approximately 4.5 times greater than expected based upon the number of AT&T Universal Cards outstanding as compared to other third-party cards.

Discussion and Conclusions of Law

1. This is a civil action arising under the Trademark Act of 194 6, 15 U.S. C. S 1051 et seq., as amended (Lanham Act) Jurisdiction is conferred on this court by 28 U.S.C. S 1338(a), by 15 U.S.C. S 1121, and under the doctrine of pendent jurisdiction.

2. Venue exists over this action pursuant to 28 U.S.C. 5 1391 because the cause of action arose within the State of Kansas.

Preliminary Injunction Standards

3. A preliminary injunction is an extraordinary remedy,whidh is granted as the exception rather than the rule. GTE V. Williams, 713 F.2d 676, 678 (10th Cir. 1984).

4. The main purpose of a preliminary injunction is to

preserve the status quo pending a final resolution of the matter before the court. Lundgrin v. Claytor, 619 F.2d 61, 63 (10th Cir. 1980).

5. In order to obtain a preliminary injunction, the moving party must establish the following four prerequisites: (1) a substantial likelihood that the moving party will eventually prevail on the merits; (2) the moving party will suffer irreparable injury unless the injunction issues; (3) the threatened injury to the moving party outweighs whatever damage the proposed injunction may cause the opposing party; and (4) the injunction, if issued, would not be adverse to the public interest. Seneca-Cayuga Tribe v.State ex rel. Thompson, 874 F.2d 709, 716 (10th Cir. 1989); Tri-State Generation & Transmission Ass'n Inc. v. Shoshone River Power, Inc. 805 F. 2d 351, 355 (10th Cir. 1986).

Likelihood of Success on the Merits - Trademark Claims

6. "A trademark is a distincitive mark, symbol or emblem used by a producer cr manufacturer to identify and distinguish his goods form those of others." Educational Development Corp. v. Economy Co., 562 F. 2d 26, 28 (10th Cir. 1977). A trademark is also used to indicate the "source of the goods, even if that source is unknown." 15 U.S.C. §1127.

7. Plaintiff bases its trademark claims on sections 32(1) (trademark infringement) and 43(a) (false designation of origin) of the Federal Trademark Act, 15 U.S.C. §§ 1114(1), 1125(a), (Lanham Act).

8. Section 32(1) imposes liability on anty perons who shall, without the trademark registrtant's consent, "use in commerce a reproduction, counterfeit, copy, or colorable imitation of a registered mark...likely to cause confusion, or toi cause mistake or to deceive..."

9. Section 43(a) provides in pertinent part:

Any person who shall affix, apply, or annex, or use in connection with any goods or services...a false designation of origin, or any false description or representation...and shall cause such goods or services to enter into commerce...shall be liable to a civil action...by any person who believes that he is or is likely to be damaged by the use of any such flase description of representawtion.

10. Although section 43(a) is broader inscope than section 32(1) because it does not require trademark registration, it still

has the common purpose of preventing consumer confusion regarding the source of a product. Centaur communications, Ltd. v. A/SIM Communications, Inc., 830 F.2d 1217, 1220 (2d Cir. 19871,.

11. Plaintiff must first establish that its ma@rks are valid and protectable. Defendant does not appear to contest thevalidity of plaintiff Is marks. Nor does defendant dispute the fact that the mark "UNIVERSAL MONEY CARD" has become incontestable under 15 U.S. C. S 1065 and 115 (b) . Accordingly, the court concludes @that plaintiff's marks are valid and protectable under the Lanham Act. Moreover, the court finds it unnecessary, for purposes of this motion, to categorize plaintiff Is marks as generic, descriptive, suggestive' or arbitrary. Beer Nuts, Inc. v. Clover Club Foods CO., 711 F.2d 934, 939 (10th Cir. 1983) (Beer Nuts I).

12. Although AT&T has raised the affirmative defense of fair use, the court finds that AT&T has failed to establish that it is using the term "Universal" only in a descriptive sense. See Coherent, Inc. v. Coherent Technologies, Inc., 736 F. Supp. 1055, 1061 (D. Colo. 1990). Rather, for purposes of this motion, the court finds that AT&T is using the term "Universal," in conjunction with the terms "AT&Tll and "Card,ll as a trademark. Beer Nuts I, 711 F.2d at 938.

12. To succeed on either of its infringement claims, plaintiff must demonstrate that AT&T's use of "AT&T Universal Card" creates a likelihood of confusion on the part of an appreciable number of ordinary purchasers. General Mills, Inc. v. Kellogg Co., 824 F.2d 622, 626 (8th Cir. 1987). confusion is said to exist "when consumers make an ncorre—ct mental association between the involved commercial products o r their producers." San Francisco Arts & Athletics, Inc. v. United States 01@Pic Comm., 483 U.S. 522, 564 (1987).

13. In determining plaintiff Is probable success in showing the likelihood of confusion between the UMC and AT&T marks, the court must examine the followi@ng factors: degree @of similarity, intent of AT&T in adopting th e designation, the relation in use and manner of marketing between the goods or services marketed by AT&T and those marketed by the plaintiff, and the degree of care likely to be exercised by purchasers. Beer Nuts, Inc. v. Clover Club Foods Co. ' 805 F. 2d 920, 925 -(10th Cir. 1986) (Beer Nuts II). however, these factors are not exhaustive; the facts of a particular

case may require consideration of other additional variables. Id.

A. Similarity of the Marks

14. The degree of similarity is tested on three levels as encountered in the marketplace: sight, sound and meaning. Beer Nuts 1, 711 F.2d at 940. In considering the characteristics of the marks, similarities weigh more heavily than differences. id.

15. In evaluating similarity, the court must not engage in a side-by-side comparison. Id. at 941. Rather, "the court must determine whether the alleged infringing mark will be confusing to the public when singly presented." Id.

15. Although each mark is to be considered as a whole, the dominant portion of a mark, if any, is entitled to greater weight in evaluating the likelihood of confusion. Continental Scale Corp.v. Weight Watchers International, Inc., 517 F.2d 1378, 1381-82 (C.C.P.A. 1975).

16. The dominant portion of a mark is that which 'is most noticeable and most unavoidably attracts the public's attention. Gaston's White River Resort v. Rush, 701 F. Supp. 1431, 1438 (W.D.Ark. 1988). The court must analyze each feature of a mark to determine its significance to the mark as a whole and to ascertain the dominant feature of the mark. Id. at 1437-38.

17. The court finds that the degree of similarity between UMC's registered trademarks and the mark "AT&T Universal Card" is minimal. First, although both the AT&T and the LTMC marks use the word "universal," the court believes that the dominant portion of each mark is different. Specifically, the court finds that the dominant portion in each of the UMC marks is the word "UNIVERSAL." In contrast, the court finds that the dominant portion of AT&T's mark is the term "AT&T." Second, the marks have different sounds and cadences. Third, the court notes that there are significant differences in the overall design of the two cards, including the lettering styles, logos, and color schemes. Moreover, a significant number of the cards issued by UMC display the name of an affiliate bank on the front of the card, thus further differentiating such cards from the "AT&T Universal Card." Finally, although there was no evidence presented on this matter, the court does not believe that the two marks convey the same idea or stimulate the same mental reaction.

Standard Oil Co. v. Standard Oil Co., 252 F.2d 65, 74 (10th Cir. 1958).

B. Intent of AT&T in Adopting the Term "Universalls

18. "Intent on the part of the alleged infringer t I o pass off its goods as the product of another raises an inference of likelihood of confusion . . . ." Squirtco v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980). Accordingly, in reviewing the intent of a party in selecting a mark, the proper focus is on whether it intended to deceive the public and derive benefit from a mark already established in the marketplace. Jordache Enterprises, Inc. v. Hogg Wvld Ltd., 828 F.2d 1482, 1485 (10th Cir. 1987).

19. The court f inds no intent on the part of AT&T, in selecting the term "Universal", to deceive the public and derive benefit from plaintiff's reputation or goodwill. Paul Kahn specifically testified that he selected the term "Universal" because of its "generic" qualities. Kahn further testified that he was not even aware of UMC's existence prior to the selection of the mark. In light of this testimony, and in light of AT&T's own reputation and goodwill, the court finds it implausible that the defendant selected its mark with the intention of passing off its card as a product of, or affiliated with, UMC, or with the intention of deriving benefit from UMC's marks.

C. Similarity of the Products

20. Another relevant factor to be considered in determining whether there is a likelihood of confusion is the similarity between the two products. Exxon Corp. v. Texas Motor Exchange of Houston, SS28 F.2d 500, 505 (5th Cir. 1980) . "The greater the similarity between the products and services, the greater the likelihood of confusion." Id.

21. Although the services embodied in the UMC and AT&T cards are similar in certain respects, the court finds that the primary purpose of each card is different. Although the UMC card does allow cardholders to make retail debit purchases at limitedlocations through the BankMate network, the court believes that the primary purpose of the UMC card is to allow cardholders to access cash from ATM'S. In contrast, the court finds that the primary purpose of' the AT&T card is to allow cardholders to charge, on credit, long-distance telephone calls and goods and services. only

as an additional cardholder benefit, does the AT&T card provide ATM access through the "Plus" or VISA" networks. Accordingly, the court concludes that the cards are not directly competitive.

D. Relation in Manner of Marketing of the Products

22. The means by which the two products are marketed is relevant to the determination of likelihood of confusion. Beer Nuts I, 711 F.2d at 941.

23. The court finds that the UMC card and the AT&T card reach the public through significantly different channels. The evidence submitted by the plaintiff indicates that the UMC card is only distributed to persons who have accounts at financial institutions who are affiliated with UMC. Accordingly, to obtain a UMC card, a person must have an account at an affiliate financial institution. The AT&T card, on the other hand, is a "stand-alone" credit card that is distributed to the general public. The court thus concludes that the marketing differences help preclude customer confusion.

E. Degree of Care Exercised by Consumers

24. Another factor to be considered is "the degree of care likely to be exercised by purchasers." Beer Nuts II, 805 F.2d at 925.

25. Inexpensive items which are purchased on impulse or with little care are more likely to be confused than expensive items which are chosen carefully. Beer Nuts I, 711 F.2d at 941.

26. The court finds that the products involved in this case are items which are chosen with at least moderate care by the ordinary purchaser. See Omaha National Bank v. Citibank (South Dakota) . N.A. 1 633 F. Supp. 231, 235-36 (D. Neb. 1986) (holding that consumers choosing between providers of ATM access cards exercise a relatively high degree of care). Although neither party produced signif icant evidence on this point, the court believes that, unlike a product which can be purchased on impulse, the UMC card and the AT&T card can only be obtained through a certain amount of effort on the part of consumers. Moreover, the court believes that the average consumer will, at a minimum, read the promotional materials provided by UMC and AT&T before deciding to request one of the cards. Accordingly, the court believes that the average consumer will be aware of the services embodied in whichever card he or she chooses and will be aware of the source of the card.

F. Actual Confusion

27. Evidence of actual confusion is one of the factors, and perhaps the best evidence, to be considered in making a determination of likelihood of confusion. Exxon, 628 F.2d at 506.

28. However, plaintiff does not have to show actual confusion to prevail; mere likelihood of confusion is sufficient. Volkswagenwerk Aktiengesellschaft v. Wheeler, 814 F.2d 812, 818 (1st Cir. 1987).

29. Here, plaintiff has produced evidence indicating that, since the "AT&T Universal Card" was introduced, there have been approximately 100 instances in which persons have attempted to use AT&T cards in UMC ATM machines. Of these instances, however, UMC employees testified that only 10 have been confirmed as resulting from actual consumer confusion. Moreover, UMC has proffered the deposition testimony of only one consumer, Richard Fjellman, who attempted to use an AT&T card in a UMC ATM.

30. The court finds the deposition testimony of Fjellman to be of questionable value in demonstrating actual confusion. Specifically, the court cannot conclusively determine that Fjellman's confusion resulted from similarities between plaintiff Is and defendant's marks.

31. Aside from Fjellman's deposition testimony, plaintiff has presented no other evidence to support its employees' claims of actual consumer confusion.

32. Assuming that ten instances of actual confusion have occurred as a result of similarities between the marks, the court finds this evidence numerically insignificant in light of the four million AT&T cards that are in circulation and in light' of the 15,000 daily UMC ATM transactions.

G. Evaluation — Likelihood of Confusion

33. After reviewing each of the factors set forth above, the court finds that the plaintiff has failed to demonstrate that there is a likelihood of confusion between the UMC marks and the AT&T mark. Accordingly, the court concludes that plaintiff has failed to demonstrate a substantial likelihood that it will ultimately prevail on the merits of its infringement or false designation claims.

Likelihood of Success on the Merits - Unfair Competition

34. Plaintiff's complaint also includes a state law claim of unfair competition.

35. The law of unfair competition imposes liability against one who markets goods bearing an unprivileged imitation of the physical appearance of another's goods. Polo Fashions. Inc. V. Diebolt, Inc., 634 F. Supp. 786, 790 (D. Kan. 1986).

36. An imitation is unprivileged if the "imitation is likely to cause prospective purchasers to regard [A's) goods as those of [B], and . . . the imitated feature is nonfunctional." Restatement of Torts § 741.

37. Thus, the essential element of an unfair competition claim is the same as that for an infringement or false designation of origin claim. Polo Fashions, 634 F. Supp. at 790.

38. In light of the court's previous conclusions with respect to plaintiff's infringement and false designation claims, the court finds that plaintiff has failed to demonstrate a substantial likelihood of prevailing on its unfair competition claim.

Irreparable Iniury

39. The likelihood of success is only one factor to be considered on a motion for preliminary injunction; irreparableinjury is equally important. GTE Corp. v. Williams, 731 F.2d 676, 678 (10th Cir. 1984).

40. Because a trademark represents intangible assets, such as reputation and goodwill, irreparable injury will be presumed upon a showing of trademark infringement. Amoco Oil v. Rainbow Snow, 809 F.2d 656, 663-64 (10th Cir. 1987).

41. Because plaintiff has failed to demonstrate a likelihood of consumer confusion, the court finds that irreparable injury to the plaintiff cannot be presumed.

42. Without this presumption, the court finds that plaintiff is left with little or no evidence of specific irreparable injury. Accordingly, the court concludes that plaintiff has failed to establish that irreparable injury will result if a preliminary injunction is denied.

Balancing of Hardships

43. In considering a motion for preliminary inj unction,